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LAST ISSUE

Latin America

FBIS-LAT-96-141
Monday
22 July 1996

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Daily Report
Latin America

FBIS-LAT-96-141 CONTENTS *22 July 1996*

CARIBBEAN

Cuba

Cuba: Castro Calls Clinton's Decision 'Hoax' *[Barcelona LA VANGUARDIA 19 Jul]* 1
Cuba: Alarcon Meets Butrus-Ghali; U.S. Document Viewed *[Havana TV]* 1
Cuba: Helms-Burton Law Said 'Sword of Damocles' Over Trade *[Madrid Radio]* 2
Cuba: Castro News Conference on Postponement *[Havana TV]* 2
Cuba: Alarcon Meets UN Security Council Members 19 Jul *[Havana TV]* 3
Cuba: U.S. Wants EU To 'Plot an Attack' Against Cuba *[Havana TV]* 4
Cuba: Robaina Denies Rumors on Rafters' Exodus *[Havana Radio]* 4
Cuba: U.S. Draft Resolution to UN Council Rejected *[Havana Radio]* 4
Cuba: Canadian Firm President, Lage on Helms-Burton Law *[Havana Radio]* 5
Cuba: Ministry Official on Clinton's Helms-Burton Decision *[Havana Radio]* 5
Cuba: Alarcon on Alleged U.S. Attempts To Influence UN *[Havana Radio]* 6
Cuba: U.S.-Proposed Draft Resolution at UN Rejected *[PRENSA LATINA]* 6
Cuba: Nation Accuses U.S. of Financing Dissident Groups *[PRENSA LATINA]* 7
Cuba: Former CIA Agent on Ties With Area Dictatorships *[Havana Radio]* 7
Cuba: Spanish Politician Comments on Meeting With Castro *[PRENSA LATINA]* 8
Cuba: Cooperation Protocol Signed With Nicaragua *[PRENSA LATINA]* 8
Cuba: Lage Reports 9.6 Percent Growth in 1st Half of Year *[Havana Radio]* 9
Cuba: Tourist Chain To Ensure Vacationers 'A Good Time' *[Havana TV]* 9
Cuba: FAR Testing Western Army's Combat Readiness *[Havana TV]* 10
Cuba: TRABAJADORES Editorial on Progress in Past 2 Years *[Havana Radio]* 10

Haiti

Haiti: French Envoy Backs Government's Economic Report *[Port-au-Prince Radio]* 11
Haiti: Deputies Hope To Pass Bill on Economic Reform *[Port-au-Prince Radio]* 11
Haiti: Prosecutor on Arrest of Former General Raymond *[Port-au-Prince Radio]* 12

MEXICO

Mexico: Protection Offered Against Helms-Burton Law *[LA JORNADA 18 Jul]* 13
Mexico: Government To Stress Struggle Against U.S. Law *[EL FINANCIERO 18 Jul]* 14
Mexico: PRI, PRD Urge 'Diplomatic, Political Offensive' *[REFORMA 17 Jul]* 14
Mexico: EZLN Criticizes Government Positions *[LA JORNADA 18 Jul]* 15
Mexico: Chuayfett Offers Madrazo Case Review *[LA JORNADA 18 Jul]* 16
Mexico: Appeal to Governors on Resource Use *[LA JORNADA 18 Jul]* 16

CENTRAL AMERICA

Guatemala

Guatemala: Minister Voices Satisfaction on Law Deferment *[LA REPUBLICA 18 Jul]* 17
Guatemala: Minister Visits Cuba To Strengthen Ties *[PRENSA LIBRE 18 Jul]* 17

Nicaragua

Nicaragua: Army Abolishes Armed Groups Along Border *[BARRICADA 17 Jul]* 17

Nicaragua: Police Destroy Salvadoran Weapons, Ammunition *[BARRICADA 17 Jul]* 18
Nicaragua: Electoral Developments Through 20 Jul *[ACAN, etc.]* 19
Nicaragua: Alfredo Cesar Views Elections *[EL SEMANARIO 21-27 Jun]* 20

Panama

Panama: Molirena Official on Opening Talks With U.S. *[Panama City TV]* 23
Panama: President Accepts Martinelli's Resignation *[Panama City TV]* 23
President: President on 'Morality' of Judging Contributors *[LA PRENSA 19 Jul]* 23
Panama: FM on Maritime Agreement, Howard AFB, Samper *[LA ESTRELLA DE PANAMA 16 Jul]* 24
Panama: Foreign Minister Interviewed on Canal, Bases *[EL PANAMA AMERICA 18 Jul]* 24
Panama: Colombian Guerrilla Forces Linked to Nation *[EL PANAMA AMERICA 14 Jul]* 28

SOUTH AMERICA

Argentina

Argentina: Barra Replacement, Cabinet Balance Viewed *[CLARIN 14 Jul]* 29
Argentina: Cavallo Admits Foreign Debt Increase *[NOTICIAS ARGENTINAS]* 31
Argentina: Cavallo on Reasons for Foreign Debt Increase *[NOTICIAS ARGENTINAS]* 31
Argentina: JP Senators Support Economic Measures *[TELAM]* 32
Argentina: Assembly To Draw Up Buenos Aires Statute *[TELAM]* 32

Bolivia

Bolivia: Poll Shows Dissatisfaction With Economic Policy *[PRESENCIA 13 Jul]* 33
Bolivia: President, Chilean Minister Review Ties *[PRESENCIA 15 Jul]* 33
Bolivia: News Summary for 17 Jul *[Social Communications Ministry WWW]* 33

Brazil

Brazil: Sarney Says U.S. Cannot 'Morally Execute' Samper *[O GLOBO 18 Jul]* 34
Brazil: Florianopolis To Host FTAA Preparatory Meeting *[GAZETA MERCANTIL 17 Jul]* 35
Brazil: Senate Approves Cellular Telephone Bill *[AGENCIA ESTADO]* 36
Brazil: Cellular Phone Industry Opened To Private Sector *[Rio de Janeiro TV]* 36
Brazil: Parties Coordinate Efforts for Cabinet Reshuffle *[JORNAL DO BRASIL 18 Jul]* 36
Brazil: New Amazon Region Control Project Implemented *[FOLHA DE SAO PAULO 18 Jul]* 37
Brazil: Roundup of Economic Reports Through 19 Jul *[O ESTADO DE SAO PAULO, etc.]* ... 38

Chile

Chile: Insulza Notes Disagreement With U.S. Cuba Policy *[EL MERCURIO 19 Jul]* 38
Chile: Army Praises Rejection of Military Pact With U.S. *[LA TERCERA DE LA HORA 18 Jul]* 39
Chile: Pinochet Denies Report on New Retirement Date *[EL MERCURIO 19 Jul]* 40
Chile: Military Court Dismisses 1973 Missing Persons Case *[EL MERCURIO 18 Jul]* 40
Chile: Government Refutes World Bank Report on Economy *[EL MERCURIO 12 Jul]* 40
Chile: Aninat on First Half Economic Performance *[EL MERCURIO 30 Jun]* 41
Chile: Court Indicts 5 Involved in Drug Trafficking Ring *[EL MERCURIO 15 Jul]* 44
Chile: Colombian Drug Ring May Be Behind Cocaine Shipment *[EL MERCURIO 19 Jul]* 44

Colombia

Colombia: U.S. Revokes Visas of 2 Representatives *[EL TIEMPO 19 Jul]* 44
Colombia: 'Contingency Plans' Readied For Any Sanctions *[Madrid EFE]* 45
Colombia: FM Wants To 'Proceed Cautiously' on U.S. Ties *[Madrid EFE]* 45

Colombia: New Foreign Minister Urges 'Truce' With U.S. *[EL TIEMPO 20 Jul]* 46
Colombia: Dangers of Growing Dispute With U.S. Viewed *[EL TIEMPO 19 Jul]* 46
Colombia: Reasons for Obeying U.S. 'Dictates' Viewed *[EL TIEMPO 21 Jul]* 47
Colombia: Call For Samper's Resignation Discussed *[Santa Fe de Bogota Radio]* 48
Colombia: Police Head on Death Threats Against Samper *[Madrid EFE]* 49
Colombia: Group Threatens Government Against Extradition *[NOTIMEX]* 49
Colombia: Military Placed on Alert for 'Extraditables' *[NOTIMEX]* 50
Colombia: Envoy Believes Border Incident 'Overcome' *[Santa Fe de Bogota Radio]* 50

Ecuador

Ecuador: TSE Proclaims Bucaram Winner of Elections *[Quito Radio]* 51
Ecuador: Visa, Passport Forging Gang Dismantled *[EL UNIVERSO SUNDAY SECTION' 7 Jul]* 51
Ecuador: Illegal Alien Smuggler Apprehended *[EL UNIVERSO 1 Jul]* 52

Peru

Peru: Tudela Says Moncayo's Remarks 'Personal Opinion' *[Madrid EFE]* 53
Peru: Gen Hermoza Views Moncayo's Remarks on Rio Protocol *[Madrid EFE]* 53
Peru: Ecuadoran Army Chief Views Uses of Rio Protocol *[Madrid EFE]* 54
Peru: Commentator Views Strategy of Ecuador's Bucaram *[LA REPUBLICA 14 Jul]* 54
Peru: National Radio, Television Institute Established *[EL COMERCIO 10 Jul]* 55

Venezuela

Venezuela: Orozco Graterol Appointed Transport Minister *[Caracas TV]* 55
Venezuela: President Says Ties With Colombia Unchanged *[EL UNIVERSAL 17 Jul]* 55
Venezuela: Caldera on Measures Contained in Agenda *[Caracas TV]* 56

Cuba

Cuba: Castro Calls Clinton's Decision 'Hoax'

BR1907145596 Barcelona LA VANGUARDIA in Spanish 19 Jul 96 p 1

[Report by Josep Maria Orta: "Castro Describes Helms-Burton Law as 'A Hoax Against the Whole World'" — received via Internet]

[FBIS Translated Text] Havana — Cuban President Fidel Castro considers the decision of U.S. President Bill Clinton to put off the application of the most controversial chapter of the Helms-Burton law as "a hoax against the whole world." Speaking to Spanish journalists yesterday at a reception held in honor of United Left [IU] General Coordinator Julio Anguita, Fidel Castro said: It is hard to understand what Clinton means when he says on the one hand that the famous Title III will enter into force and then he goes and suspends it; what remains is an image of the sword of Damocles hanging over other countries."

The Cuban president expanded on this theme: "What will happen in six months? It is a game in which Clinton is the victim of his own mistakes. This law was written by his opponents and Clinton was even against it at one time but then, adding up the electoral plusses and minuses he decided to support it. It is a problem of principles and ethics."

Regarding the affair of the Cuban pilot who diverted a plane on a domestic flight to the American Guantanamo airbase he said: "We were wrong to believe the promises of the United States, although apparently what happened was unavoidable, but we are convinced that there will be no more violations of our airspace."

The Cuban leader also spoke about relations with the new President of the Spanish Government Jose Maria Aznar: "I do not want to judge the Spanish Government yet, it is still too early. We know what that party thinks but we should bear in mind that our country has long experience in dealing with this kind of problem."

In Fidel Castro's view, the change of government in Spain should not necessarily signal any change in Cuban-Spanish relations: "Let us not be carried away by the rhetoric. We will apply the biblical concept which says that by his deeds will you know a man." Castro stressed that "it is in nobody's interests to break off or change relations between countries that have developed together for years, or in the case of Spain and Cuba, for more than 500 years." In this regard he emphasized how "in the time of Franco, when we were using a lot of rhetoric against his regime, they helped us and Franco resisted pressure from the United States and maintained political and economic relations with Cuba. I cannot imagine anyone destroying these relations even if the United States really is applying a lot of pressure."

The Cuban president was especially critical of the relations that the government and the People's Party entertain with the Cuban opposition: "The fact of the opposition being received in Spain is not a problem; the problem is that this opposition is not an opposition like, for example, IU, which we are honored to receive here."

He added: "What would happen if we received the people plotting the destruction of Spain, the terrorists. This opposition we are receiving is different from the opposition of those who have made themselves millionaires..." (referring to Mas Canosa) "...by dirty deals that converted the anti-Cuban policy into a game for despicable people, Mafia terrorists." Castro added: "These people almost feel like they own Spain because they are saying that they helped the People's Party during the election campaign. I cannot say whether that is true or not, but that is what they have said and it is up to the Spanish people to decide whether it is worthy of the honor of Spain that its government should receive such people."

Cuba: Alarcon Meets Butrus-Ghali; U.S. Document Viewed

PA1907224896 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 19 Jul 96

[Report by Carlos Iglesias and Andres Fernandez from the United Nations in New York; from the "NTV" newscast]

[FBIS Translated Text] Ricardo Alarcon met today with UN Secretary General Butrus Butrus-Ghali. Alarcon described the meeting as cordial and useful. He was accompanied by Bruno Rodriguez, permanent Cuban ambassador to this international organization.

Alarcon said that they talked about the Security Council meeting, which will debate the ICAO [International Civil Aviation Organization] investigation results on the 24 February incident.

These discussions are due to begin on Monday. Alarcon gave details to Butrus-Ghali about Cuba's points of view. He also said that Cuba demands that these debates be open, and that a fair solution be given to this affair.

Today, Cuba requested that the United Nations circulate as an official document covering an analysis by U.S. attorneys that demonstrates that the United States could have prevented this incident. The attorneys examined the ways Washington could have prevented this incident because it had the legal authority, based on previous law that was drafted by Clinton's political adversaries, the Republicans, the extreme right-wing groups. Clinton was opposed to that law. At a certain point in time, after calculating the costs and benefits of the election process, he made the decision to support this law. It is a matter of principles. I believe that if a man has an idea, a criteria, and ethics, he has to remain firm in the defense of that idea.

He adopted, in a matter of minutes, this rash and impulsive action, following the incident involving the two planes, an incident which they provoked. For many years, an infinite number of warnings had been issued. The U.S. Government even promised to prevent these types of violations of Cuban airspace. I really believe we made a mistake by believing the promises of the U.S. Government. I did not want and could not avoid what happened, but we were confident. We thought these types of airspace violations would not take place, however, they did in fact take place unexpectedly. Our defense mechanisms were organized and prepared. These kinds of things happen in a matter of seconds. When the violation took place, they took action.

We feel we do not have the slightest responsibility in this, the slightest blame. This, however, served as a pretext, amid the election campaign, to switch sides and support a repugnant law, which had already been the object of worldwide criticism overnight. He is now suffering the consequences of that mistake.

This is so, because it triggered a universal protest, which is quite understandable, because this measure did not just represent an attack on Cuba, a country that has been attacked for many years and has withstood these attacks for over 35 years, but the sovereignty and interests of all nations of the world. This law was setting a precedent, which could be implemented against any country. In any other country, accepting this prerogative of the U.S. Government to enforce extraterritorial laws and impose sanctions outside U.S. jurisdiction would be tantamount to relinquishing the principle of national sovereignty, which is still very significant for the peoples of the world.

This U.S. design triggered a universal protest. For the first time in the history of the OAS, its member nations pronounced a resolution condemning this legislation and not one single country in the world supported the United States. The protest was massive and so was the decision by the countries to adopt measures to respond to the stipulations of this law. As a result, the United States found itself in a very compromising situation: If it implemented the infamous Title III as of 15 July, it would create a conflict with all the other countries and if it did not, it would bring about a conflict with the Republican right-wing radicals and the radical Cuban immigrants, based on the myth, a very detrimental belief, that these groups are the ones that decide the electoral outcome in Florida. This belief is absolutely false and we will see what will evolve from here.

This is how Clinton found himself amid this unnecessary dilemma, which was truly his doing. Subsequently, Clinton adopted an ambiguous position, because his position is definitely ambiguous. What will happen in six months? Will the sword collapse on Damocles? We will have to wait. We should not make any conclusions yet. We hope the world will continue to fight against this attack on its sovereignty and its rights, a law that would set a disgraceful precedent and that fully contradicts all the principles of international trade agreed upon by all nations. Accepting this law would mark the moment in which the world would give up its sovereignty. This is my opinion. We must await future events.

Cuba: Alarcon Meets UN Security Council Members 19 Jul

PA2007024496 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 20 Jul 96

[Report by Carlos Iglesias and Andres Fernandez; from the "NTV" newscast]

[FBIS Translated Text] Ricardo Alarcon de Quezada, president of Cuba's National Assembly of the People's Government, continued today to meet with members of the UN Security Council prior to the scheduled debates on the results of the investigation of the 24 February incidents. We have a report from the United Nations.

Alarcon met today with Nonaligned Movement members at the United Nations. The group comprises Chile, Botswana, Egypt, Guinea-Bissau, Honduras, and Indonesia. Alarcon talked to them about the meeting scheduled to begin on Monday because there are many maneuvers under way. He described these maneuvers as being part of the U.S. decision not to share its criteria with all the members of the Security Council, only with some of them, and said it is because they are afraid to do it because they are lying to everyone.

Alarcon insisted there should be complete transparency at the meeting of the UN Security Council, now being chaired by France, a well-respected country. He said this UN body must act on behalf of the entire community of nations. He also said there are other states interested in the topic of transparency, a banner that has always been upheld by Cuba, which does not believe in meetings behind closed doors or in late night meetings.

Alarcon said, however, there are others who want to continue cooperating with dark forces. This is the atmosphere barely two days before the process of debates to discuss the 24 February incidents begin.

Cuba: U.S. Wants EU To 'Plot an Attack' Against Cuba

PA2007024996 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 20 Jul 96

[From the "NTV" newscast]

[FBIS Translated Text] The EU will receive with reservations the envoy designated by U.S. President William Clinton to plot an attack against the Cuban Government. According to the Spanish newspaper EL PAIS, the EU Committee of Permanent Representatives confirmed a number of countermeasures to the Helms-Burton law and agreed to maintain political unity against the U.S. ally.

The newspaper indicated that France was most categorical among the committee's members as it warned about Washington's divisionist goals. The publication stressed that the British representative also criticized the United States harshly by emphasizing the need to maintain a united front in the EU. In this regard, he suggested that it would be suitable to implement all reprisals against the United States prior to the arrival of Washington's envoy.

Cuba: Robaina Denies Rumors on Rafters' Exodus

PA2007195496 Havana Radio Rebelde Network in Spanish 1700 GMT 20 Jul 96

[Report by Zenaida Costales; from the "National Radio News" newscast]

[FBIS Translated Text] The most reactionary and ultrarightist sectors of Miami have used enemy radio stations to spread rumors about the possibility of a rafters' exodus. These rumors are part of a well-organized plot developed by persons who want to undermine the migration agreements signed by Cuba and the United States.

Zenaida Costales has the details:

[Costales] More than 2,500 immigrants have been returned to Cuba since the signing of the migratory agreement between Cuba and the United States. This proves that the agreements are being strictly complied with, as well as Cuba's interest in contributing to this agreement.

This was noted by Cuban Foreign Minister Roberto Robaina in a statement to the media.

[Begin Robaina recording] Our position was made clear in the statement I just made and in the statement just made by the Cuban Foreign Ministry. Cuba is interested in the agreements being complied with the way Cuba is complying with them. Cuba has meticulously complied with them.

We have neither started nor promoted rumors. The rumors can come only from forces interested in new confrontations between the governments of Cuba and the United States.

We are not interested at all in any such confrontation, and we have noticed signs that part of that government is not interested in increasing confrontations either; however, with that government, we have to consider not just what it would like to do. We have to consider also what the most reactionary forces want to impose on it, what those forces want.

There is a Cuban-American mafia that wants to lead that government into confrontations with Cuba. [end recording]

[Costales] Cuba has signed migratory agreements also with Caribbean countries such as Bahamas, the Cayman Islands, and Jamaica, among others.

Cuba: U.S. Draft Resolution to UN Council Rejected

PA2107022496 Havana Radio Havana Cuba in Spanish 0000 GMT 21 Jul 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Cuba has rejected a draft resolution circulated by the United States to members of the UN Security Council and has announced it will strongly oppose any attempt to disregard the recent International Civil Aviation Organization [ICAO] ruling on the 24 February incidents, in which two planes flying from Florida were shot down after violating the island's airspace.

In an interview with PRENSA LATINA, Bruno Rodriguez, Cuba's permanent ambassador to the United Nations, said the UN Security Council should not endorse the U.S. report as the ICAO did, because a majority of countries considered the Washington report as contradictory, negligent, and manipulated.

The duty of the highest UN body is to fight to eliminate all practices adversely affecting the legitimate development of civil aviation. If there is something that must be condemned, it is the deliberate, repeated violation of Cuban sovereignty, Rodriguez has said.

Ricardo Alarcon de Quezada, chief of the Cuban delegation to the deliberations of the UN Security Council, which will hold its meetings on 22 July, also condemned the U.S. maneuvers and demanded that the meeting be public, open, and transparent.

Cuba: Canadian Firm President, Lage on Helms-Burton Law

PA1907162196 Havana Radio Havana Cuba in Spanish 0000 GMT 17 Jul 96

[Report by Omaira Alonso and Marianela Samper; from the "Evening Information Review" newscast]

[FBIS Translated Text] (Ian Delain), president of the Canadian company Sherritt International, has said that the Helms-Burton law's pressure has no bearing on the company's obligations in Cuba and that the company will continue to do business in the island as usual.

[Begin (Delain) recording with simultaneous translation into Spanish] This recently enacted U.S. law is a bad law. We believe that, morally and ethically, we are on the right side of the argument. Institutions and the government hope the law's effect will be lifted with the passage of time. [end recording]

(Delain) recalled that Sherritt International was created to become the biggest investor company in Cuba and that this has not changed. Although he feels offended by the warning letters sent by the U.S. Government and the inclusion of nine company executives in a list of businessmen who cannot get a U.S. visa, he said this.

[Begin (Delain) recording] We believe this affects the United States much more than it does us as individuals. In addition, we do not believe this legislation truly reflects the United States, a country that prides itself on personal freedom and opportunities and has shown it (respects) these principles. [end recording]

He pointed out that Sherritt is a public company whose shares are owned both in Canada and Europe. This means that any individual can participate in the company by buying shares in the stock market of several countries. He also said that the company shareholders will continue to trust the company, that the public will continue to buy shares, and that the commercial value of these shares is that of a sound financial company.

Regarding Cuba, (Delain) said the company's businesses are adequately planned and according to the country's law and that the company works hard with Cuban officials to make new investments.

[Begin (Delain) recording] We continue to try to expand our investments in the same areas where we are operating in Cuba and tie in our company's financial operations with Cuba's economic development. Business is going very well. We are making a very good profit and expect it to increase in the future. [end recording]

In addition, Cuban Vice President Carlos Lage has said that Sherritt International has confirmed its decision to continue to participate in the opening to foreign capital that has marked the country's economy.

[Begin Lage recording] We are not surprised at this decision because the company has been in Cuba for several years and our relations have been very serious and professional, and from which both sides have profited. We appreciate not only the company's technical expertise, but the personal qualities of the company officials. I believe (Delain's) remarks are consistent with the company's policy and the general reaction with foreign enterprises that participate with investment in Cuba. (Delain's) remarks represent a continued decision to keep investing in the country. [end recording]

Lage also assessed the position of the Canadian, Mexican, and European Union's Governments regarding the Helms-Burton law.

[Begin Lage recording] It is being shown that the United States is alone in its policy in Cuba. The law affects us and creates new problems, difficulties, and obstacles, but it will eventually be defeated, as it happened to the Torricelli law. [end recording]

Cuba: Ministry Official on Clinton's Helms-Burton Decision

PA2007123996 Havana Radio Rebelde Network in Spanish 1700 GMT 19 Jul 96

[Report by Jose Mayo; from the "National Radio News"]

[FBIS Translated Text] Like a Damocles sword hanging over the heads of foreign businessmen who invest or trade with Cuba, the U.S. Government intends to resort to Title III of the Helms-Burton law to force them to join Washington's policies against Cuba.

A high-ranking U.S. Government official said recently that the White House will use the Helms-Burton law, not as a threat but as a lever, but he did not explain if this last instrument would be used to promote the application of this legal monstrosity or to punish those who are opposed to it.

This legislation, along with its Title III, which violates international law, has provoked the condemnation of the international community because of its extraterritorial nature. That is why President William Clinton made a decision in correspondence with Section 306, which, according to him, does not adversely affect his objective of being reelected to the executive branch, because he is pleasing both God and the devil.

In this regard, Dr. Luis Zola, legal adviser of the Cuban Foreign Investment Ministry, pointed out the following:

[Begin Zola recording] What Title III seeks is to punish those foreign investors, which according to the law, are trafficking quote, unquote in U.S. properties. Clinton implemented Title III on 16 July. He has availed himself of Section 306, paragraph one, clause b, and what he has done is suspend for a period of six months the possibility of carrying out judicial actions in the U.S. courts. The law is in effect; the only thing that has been suspended is the judicial action. I believe he was pressured by the EU, Mexico, Spain, and Latin America and that he saw it as necessary to seek a middle-of-the road solution, to please God and the devil. The law is illegal and violates all international norms, from first to final letter. [end recording]

Cuba: Alarcon on Alleged U.S. Attempts To Influence UN

PA2007173496 Havana Radio Havana Cuba in Spanish 1300 GMT 20 Jul 96

[From the "Morning Information Review"]

[FBIS Translated Text] In its efforts to undermine Cuba's international prestige, the U.S. Government presented a resolution project before the UN Security Council aimed at getting a condemnation of the island for the 24 February downing of two U.S.-registered aircrafts that violated Cuban airspace.

The document, which was distributed by the U.S. delegation to the other 14 Security Council members, proposes condemning the use of weapons against civilian flights.

This coming Monday, the UN Security Council is scheduled to begin informal consultations on the incident before beginning to analyze the report prepared by the International Civil Aviation Organization [ICAO], which did not condemn Cuba as the United States had anticipated.

Ricardo Alarcon, president of the Cuban National Assembly and head of the island's delegation to the Security Council's meeting, denounced in New York the fact that the United States is carrying out maneuvers intended to disregard the role to be played by all members of the United Nations.

Alarcon met this past Friday with several ambassadors of member countries of the Nonaligned Movement who occupy seats within the UN Security Council.

Before his meeting, the head of the Cuban delegation requested that the meeting to debate the downing of the two aircrafts be public, open, and transparent.

Cuba: U.S.-Proposed Draft Resolution at UN Rejected

PA2107135696 Havana PRENSA LATINA in Spanish 1623 GMT 20 Jul 96

[By Javier Rodriguez]

[FBIS Translated Text] United Nations, 20 Jul (PL) — Cuba today rejected a draft resolution that is being sent by the United States to Security Council members. It has announced that it will oppose all attempts to ignore the ICAO's recent decision on the 24 February incident.

Cuba's decision was revealed in an interview granted to PRENSA LATINA by Ambassador Bruno Rodriguez, who is Cuba's permanent representative at the United Nations, when he was asked about the U.S. document that has only been distributed to a group of UN-member countries.

The U.S. proposal attempts to ratify the ICAO investigating commission's conclusions on the downing of two planes with U.S. license plates, used by the "Brothers to the Rescue" organization, that repeatedly violated Cuban airspace.

Rodriguez explained that the Security Council should not endorse this report because the ICAO only noted it and did not approve it because most of its members had complained that it was a contradictory, negligent, incompetent, and manipulated report.

"They want to ignore the resolution issued by the ICAO, which is the only document that represents the collective point of view of the governments in that organization and, thus, the only document that should be endorsed by the Security Council," the diplomat added.

Cuba considers that, as a whole, it and the great majority of the countries comprised in the Security Council find the draft resolution being circulated by Washington totally unacceptable.

Ricardo Alarcon, chief of the Cuban delegation at the Security Council's meetings, also charged yesterday that the United States was maneuvering to avoid an aboveboard discussion of the issue and did not take into account the opinions of the countries represented in this international agency.

Ambassador Rodriguez pointed out that Cuba will reject any attempts to forestall reaching conclusions that are useful and just for the international community as a whole and stressed that the Security Council must study civil aviation security in a positive manner.

The Security Council's duty, as is that of the ICAO's, is to fight to eliminate all practices that negatively affect the development of legal civil aviation and to promote air security all over the world. Thus, all the countries must be called on to comply with the Chicago agreement, he said.

Later on, Rodriguez emphasized that if something must be condemned it should be the deliberate and systematic violation of Cuba's sovereignty and the absence of effective actions by the United States, the country where the violations originate, to avoid them and guarantee air security in the area.

Last, he said he believed the Security Council's final conclusions should be based on the ICAO resolution and the reasons given for its contents, because anything else would be unacceptable to Cuba.

According to the announcement made at the United Nations, the so-called informal consultations will start on Monday. The meetings are to be attended by the 15 Security Council members and should end with an open session to adopt decisions on the debated issue.

Cuba: Nation Accuses U.S. of Financing Dissident Groups

PA1907143796 Havana PRENSA LATINA in Spanish 1740 GMT 18 Jul 96

[FBIS Translated Text] Havana, 18 Jul (PL) — Cuba reiterated today its charge regarding the U.S. financial support of "so-called human rights and dissident groups."

In the opinion of Foreign Ministry spokesman Miguel Alfonso, the $500,000 Washington recently allocated for these persons once again confirms "what Cuba has always said: these groups are financed and supported by the United States."

The official said it is important that the world know how the U.S. Government has no qualms about announcing publicly its endorsement and encouragement of subversion in Cuba.

A few days ago, GRANMA newspaper also rebuked the White House for the same reason, in connection with certain groups of "independent journalists" on the island.

Regarding Title 4 of the Helms-Burton law, enacted by the United States to stiffen the blockade on Cuba, Alfonso said that it undermines the most important Western ethical and legal principles, as it sanctions individuals for acts committed by their relatives.

This chapter allows U.S. authorities to deny entry visa to the country to citizens and their relatives who "traffic" with properties nationalized by the Cuban Government since 1959.

Alfonso stressed that Cuba is not in the habit of modifying its plans over foreign pressure, neither from Europe nor from the United States, but based on its own interests.

To conclude, he also announced the upcoming aperture in Havana of a new diplomatic mission with the presentation of credential letters from the first ambassador from Belize on 23 July.

Cuba: Former CIA Agent on Ties With Area Dictatorships

PA2007033696 Havana Radio Havana Cuba in Spanish 0000 GMT 20 Jul 96

[Report on interview with Philip Agee, former CIA "agent," by Barbara Bethancourt in Havana; date not given; from the "Evening Information Review" newscast]

[FBIS Summary] Bethancourt delivers a 7-minute report, including "excerpts" from her "lengthy" interview with Agee on the history of the CIA's ties to Latin American and Caribbean dictatorships.

Agee says that dictators have used police and security agents to get information out of those involved with liberation movements for years. The CIA supported these services through liaison operations, he reports, adding that the CIA has had ties with and even established security services all over the world. Agee says that operatives provided these services with all kinds of support, including training, money, information, and background on interrogation methods. He points out that these activities date back as far as the 1940's.

Bethancourt notes that Agee told her that these operatives helped establish the secret police force under the Batista regime.

Agee explains that the Batista regime became so oppressive that the CIA's "third man," the inspector general who helped establish it, asked Batista to ease up on the repressive measures as they were turning people against the regime. He says that it was too late for Batista to change things in 1958.

Bethancourt points out that the end of the Batista regime did not bring an end to activities against Cuba.

Agee reports that before the Revolution triumphed, the CIA set up security services to cover developments inside and outside the country. When I was in the CIA, he recalls, these services infiltrated the exile community. Agee says that these services were on the lookout for any plans to attack leaders and others, like Che Guevara and Raul Castro. He then compliments the Cuban counterintelligence service on its effectiveness during his years with the CIA, recalling successful attempts to set up CIA officers working in the U.S. Interests Section in Havana 10 years ago.

The report closes with Agee warning that the CIA is not likely to dismiss the Interests Section as a base for its operations in the future, as long as it has a mission to carry out with regard to Cuba.

Neither Bethancourt nor Agee discuss specific U.S. Government operations or operatives by name during the report.

Radio Havana Cuba makes no mention of plans to carry any more of Agee's "lengthy" interviews in the future.

Cuba: Spanish Politician Comments on Meeting With Castro

PA2007150496 Havana PRENSA LATINA in Spanish 0240 GMT 18 Jul 96

[FBIS Translated Text] Havana, 17 Jul (PL) — Spanish politician Julio Anguita said today that the most relevant matter he discussed with Cuban President Fidel Castro was the importance of creating an alliance between Cuba and the EU to face the anti-Cuban Helms-Burton law.

In a statement to the local press, Anguita, general coordinator of the Federal Committee of the United Left Coalition (IU), described his meeting yesterday with the Cuban president as "a conversation between brothers who fight in the same trench."

With the EU one must act with cleverness, using the criteria of the rush, a kind of plant that grows abundantly in Spanish streams, which is slender, flexible, bends, but does not break. I transmitted that idea to Fidel, Anguita added.

He said that it will not be a "honeymoon" to turn the EU into an ally, a positive step that, in his opinion, will require efforts and strategies.

The defense of the Cuban Revolution, which is ours too, because we are leftist, will need an association with the EU, he said. He offered the support of political forces comprizing the IU to achieve that goal.

He described as an injustice the fact that Cuba is the only Latin American country having no cooperation agreements with the Group of 15. Cuba, he stressed, is a model of independence, resistance, capacity, and principles, but at the same time is the subject of constant warnings from the United States to its European allies.

He recalled that the United States has historically wanted Cuba, which it sees as its backyard, and therefore cannot bear the frustration of knowing that it has a leader and people defending its independence.

He said that his three and a half-hour meeting with Castro was the second time he had exchanged views with the Cuban leader, who in his opinion is a great teacher. Their first meeting, which lasted almost five hours, took place during his previous visit to Havana in 1988, he clarified.

This time, in addition to the Helms-Burton law, the previous Torricelli law, 30 years of blockade, and 200 more years of history, both communist leaders analyzed the economic and social situation of the world, as well as ecological matters linked to the development of mankind.

Anguita announced that, during his next meeting with Spanish Prime Minister Jose Maria Aznar — scheduled for 25 July — he will talk about Cuba and about the relations of the Madrid Government with leaders of the extreme right-wing Cuban-American groups in Miami, which in his opinion are "dangerous friends."

Cuba is special for Spain; the Spanish people are very interested in the Cuban issue, and Fidel Castro's image has an impressive force in my country, the leftist leader recognized.

Cuba: Cooperation Protocol Signed With Nicaragua

PA2107032196 Havana PRENSA LATINA in Spanish 2138 GMT 19 Jul 96

[FBIS Translated Text] Havana, 19 Jul (PL) — The parliaments of Cuba and Nicaragua signed a protocol here today to exchange experiences and for the cooperation and promotion of mutually beneficial legislative actions through a joint commission or friendship group.

The document, which was signed by Adolfo Jarquin, first vice president of Nicaragua's National Assembly, and Jaime Crombet, vice president of Cuba's legislative branch, called for the establishment of an interparliamentarian commission.

This agreement seeks to strengthen relations between the two parliaments, to help consolidate ties of friendship between the two countries, and to develop bilateral cooperation in the legislative, economic, educational, sports, and scientific-technical areas, among other points.

It also voices the rejection of Managua and Havana authorities of the Helms-Burton law, which is described as "an instrument to violate the peoples' sovereignty, international laws, and free trade norms, and to violate the Cuban people's human rights."

The protocol also urged the parliaments of Latin American and Caribbean states to adopt legislative measures to prevent the application of the Helms-Burton law in their territories, in keeping with a decision the Latin American Parliament made recently.

Prior to the signing, Jarquin, who heads the Nicaraguan assembly's delegation visiting Cuba, reaffirmed his country's repudiation of the new U.S. legislation that intensifies the blockade against Cuba.

The Nicaraguan deputy stressed the importance of deepening relations with the Caribbean island "within the framework of Latin American spirit."

Cuba: Lage Reports 9.6 Percent Growth in 1st Half of Year

PA2007213496 Havana Radio Havana Cuba in Spanish 1300 GMT 20 Jul 96

[From the "Morning Information Review"]

[FBIS Translated Text] Cuban Vice President of the Council of State Carlos Lage announced that the country's economy during the first half of the year recorded a 9.6 percent increase in comparison to the first six months of last year, due to positive results in the sugar harvest, tourism, and nickel production.

In statements to the British newspaper FINANCIAL TIMES, Lage pointed out that Cuba had been able to produce nearly 4.445 million metric tons of sugar. He added that up until June, Cuba had received nearly 440,000 tourists, and extracted 27,400 metric tons of nickel, 30 percent more than during the first half of 1996.

The Cuban leader highlighted that the national industry, excluding the sugar sector, had grown more than 10 percent. However, he added that the growth recorded in Cuba's main economic sectors does not mean that the country has been able to overcome the severe recession prompted by the collapse of its commercial ties, as well as the loss in assistance received from the former socialist Soviet block.

Lage, who is also secretary of the Executive Council of the Cuban Council of Ministers, indicated that the Helms-Burton law will not be able to deter the flow of investments to Cuba, evidence of which lies in the completion of 26 new projects since the U.S. legislation was implemented.

Cuba: Tourist Chain To Ensure Vacationers 'A Good Time'

PA1907120696 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 8 Jul 96

[From the "NTV" newscast]

[FBIS Translated Text] Summer started on the 29th, and the national Isla Azul tourist chain has a major responsibility to ensure vacationers have a good time. Froilan Arencibia and Marisela Recasen have the details.

[Begin recording] [Recasen] During a visit to their installations, the managers confirmed to us that investment projects seek to go beyond the summer season so they can become permanent options of what has been called the tourist center of the east.

[Unidentified Isla Azul manager] We have extended last summer into this one. The Saramar opened on 3 or 6 August of last year, followed later by El Trebol, Gran Via, Guanima Nightclub, and Tokio Club, with all the refurbishing done, other centers of the restaurant network, the amusement park, which must be completed this year with great rides, and higher quality mechanical equipment.

[Recasen] Although lodgings in the eastern beaches remain limited, with room only for distinguished employees, the managers plan to continue refurbishing installations to bring capacity to its fullest, and in that way increase the number of restaurants for local tourists.

[Recasen] How about selection?

[Unidentified Isla Azul manager] We have increased our selection, especially in terms of pastries, sausages, and bread. We are finishing a bakery at a cost of $150,000, in addition to the amount that the investment entails in Cuban currency. All of this allows us to continue expanding what is available.

[First unidentified speaker] Everywhere you visit in the beaches you will find many things to pick from, different kinds of food, and in addition, the prices are more or less accessible to the people.

[Second unidentified speaker] You can see the improvement. I am really happy.

[Third unidentified speaker] We are enjoying the beaches. The conditions are great. The beach is great. The summer touches us all. [reference to a popular song]

[Arencibia] There is no doubt that local restaurants do not escape the general upward trend seen in all over Havana. There are many ways to achieve this. The system that has been implemented for two years in the field of tourism has set a precedent.

[Isla Azul manager] In our case, 90 percent of our clientele is made up of local tourists. A smaller number of our sales are in foreign currency, which is what helps, in addition to the contribution given by our ministries for local tourism to provide a supply and variety. They are still modest but the quality of the products made is higher and also [words indistinct].

[Recasen] In the western area of Havana, from La Playita 16 to the sea wall, the supply will also be guaranteed. The managers concur that the summer of 1996 must go one step forward, but in order to achieve it, the summer will have to touch Cubans' skin without ups and downs, as the sun of July and August does with its 35 degrees. [end recording]

Cuba: FAR Testing Western Army's Combat Readiness

PA1907132496 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 15 Jul 96

[From the "NTV" newscast]

[FBIS Translated Text] The general control on the Western Army conducted by the Ministry of the Revolutionary Armed Forces [FAR] will continue until Tuesday. Today, the Playa Giron Guard's Air Fighter Brigade had the opportunity to show its combat readiness, preparation of its personnel, its technical capabilities, and weapons.

The tactical exercise made it possible to confirm the level of coordination in the command of combat planes in a practical way.

[Begin unidentified officer recording] Today we are testing the efficiency of our technical operations and weapons. We are operating flights to measure our combat readiness through daily combat missions [words indistinct] with combat planes and helicopters. [end recording]

The reporter learned that our crew members maintain a high combative spirit, and that the chiefs, pilots, navigators, air controllers, and mechanics work as one.

The Playa Giron Brigade recently completed 20 years of holding the title Playa Giron Combative Glory. This brigade protects our skies and the Cuban territorial integrity. The better prepared they are, the better they can protect us.

Cuba: TRABAJADORES Editorial on Progress in Past 2 Years

PA2007191896 Havana Radio Rebelde Network in Spanish 1155 GMT 15 Jul 96

[TRABAJADORES' Editorial read by Roberto Canela: "A Valid Message"; from the "Doing Radio" program]

[FBIS Translated Text] Two years ago, in July 1994, party meetings were held throughout the country to discuss the situation in all provinces; this raised the fighting spirit of cadres, leaders, and all the people. At the time, the most critical phase of the special period was being felt. There was also discouragement and confusion as a result of the end of socialism in Eastern Europe, the fall of the Soviet Union, and the growth of the psychological, economic, and political war against Cuba by the largest superpower in a unipolar world.

The heroic resistance of the people was often marked by resignation, and many felt crushed by circumstances. There were cadres and leaders overwhelmed by the difficult and complex reality, who were incapable of reacting with the necessary strength.

During those difficult times, the Cuban people's conscience was stirred, and under the slogan "Yes, we can" we began to do jobs that seemed impossible to accomplish. Thus, we learned that a large part of the difficulties, deficiencies, and problems of our society are not exclusively linked to the imperialist blockade or the harsh and new situation generated by the special period.

The need to identify the problems and their causes more clearly became imperative, and we found out that the solution to innumerable difficulties lay in our hands, our competence, and our will to fight.

Two years after the party's meetings, changes in the country were evident. There were changes in cadres and leaders' mentality, style, methods and attitude, which had a decisive effect on the way that the masses performed their revolutionary role.

The significant growth of our economy during the first half of 1996 and the recovery in the sugar industry cannot be fully explained unless we also consider the improvement of the national ability to unite and lead the patriotic, political, and ideological spirit of the masses, which are strongly motivated to practice more active resistance, and identify and confront problems with no delays.

False pride and justification have become anachronistic during the past two years; the use of general slogans to explain specific situations began to be abandoned; and the democratic leadership method that fosters debate and that does not sugarcoat reality to conform to wishes began to be used.

The party's assessment meetings, which are being held throughout the country's municipalities in these days, confirm the trend to irreversibly abandon bureaucratic, formalastic, and routine procedures, in favor of a style that promotes criticism, debate, and objective analysis to attain systematic and coherent changes.

Meetings that put emphasis on the problems to be solved instead of the partial achievements in each phase are becoming widespread everywhere, in all provinces, organizations, communities, and work places. The progress made by many of them shows the unsurpassed benefit offered by open and democratic discussion of problems and attests that there is no safe path but the one decided upon by the workers and the people.

The "Yes, we can" slogan, adopted two years ago in those important party meetings is gaining substance and reality in the perfecting of methods, styles, and attitudes. In its broad and thorough meaning, it moves from words to deeds. In a short time, we realized how many things can be resolved through our own efforts, if we can separate priorities from secondary issues and if we are methodical and dedicated. Now we must preserve what has been done, and keep on going, because there is still much to do.

Haiti

Haiti: French Envoy Backs Government's Economic Report

PA2007162996 Port-au-Prince Signal FM Radio in Creole 1130 GMT 19 Jul 96

[From the "0730 Appointment" newscast]

[FBIS Translated Text] The French Government is supporting the economic choices of the Haitian Government, according to French Ambassador Patrick Roussel. He points out that it is up to parliamentarians to vote on the economic program so that it can be implemented.

The French representative says the economic choice of the country must come about through an agreement between Haiti and international sponsors. According to Roussel, the French Government will back the Haitian economic program before international financial organizations.

[Begin Roussel recording, in French] They are reforms resulting from a choice by the Haitian Government, and this choice is now being examined by parliament, as some choices must be voted on before they become effective, before they can materialize. They then fall within the competence of parliament.

I would say that those choices bind first and foremost the government and, today, the Haitian Parliament. But they are choices supported by the French Government. They are supported because we think today Haiti's development very likely must be brought about through an agreement between Haiti and international sponsors, in particular, the IMF and the World Bank.

The Haitian Government chose to look for an agreement with the IMF, and an agreement, which must be developed and ratified by Parliament, has been reached. [end recording]

Haiti: Deputies Hope To Pass Bill on Economic Reform

PA2007165496 Port-au-Prince Signal FM Radio in Creole 2100 GMT 19 Jul 96

[From the "Signal Current Events" newscast]

[FBIS Translated Excerpt] The deputies who favor the government's political program met today at the Chamber of Deputies to decide what needs to be done to move forward on the study of the public administration bill. The deputies who favor the reforms are considering taking measures to enable the sessions to be held, even though deputies opposed to them will boycott the session.

The deputies who favor economic reform have asked those who are against it to meet to discuss the issue in order to make needed changes. These deputies believe those bills must be voted on.

We are recalling that the executive branch should have entrusted its economic program to the international donors. In the middle of last week, the finance minister said there was a chance for donors to discuss the government's reform program before the 29 July vacation, if parliamentarians manage to rule in favor of the reforms this week.

We are informing you that the next session at the Chamber of Deputies will take place on Tuesday, 23 July. Deputy Josue Salomon says that the bloc favoring the government's economic program is in the majority and that, as a result, they will eventually approve the economic reforms. The deputy criticized parliamentarians who are boycotting the parliament and labeled them irresponsible people.

[Begin Salomon recording, in progress] ...is to come and sit in the session room to express your opinions. If you do not agree, come and tell the people why you disagree. You do not have the right to go hide. These men assumed the right to go hide, and do not work. I am wondering how the people who voted for those deputies will feel when they learn the news.

We have mobilized all our forces so that such problems do not recur in the future. [Words indistinct] has a quorum to work. What happened is that there were three deputies who had problems and who could not come. We are going to get in touch with them. In addition, we have five more in the provinces.

We hope that on 23 July everybody will be there and that everybody will be mobilized so we can manage to get the program passed. [end recording]

These were statements by Deputy Josue Salomon, who said that willy-nilly the parliamentarians who agree with the Haitian Government economic program will vote for it. The session that was held at the Chamber of Deputies yesterday was aborted. There are many controversies about the law on state-owned enterprises at the Chamber of Deputies.

This situation prevailed yesterday at the Chamber of Deputies, where keen discussions between parliamentarians on both sides of the Haitian Government program took place, which gave rise to many ill remarks about one another.

Deputy Mario Siclait, one of the parliamentarians opposed to the Haitian Government's reform plan, says the termination of the session yesterday at the Chamber of Deputies is a signal sent by those who disagree with the government's program to those who are supporting it. [passage omitted]

Haiti: Prosecutor on Arrest of Former General Raymond

PA2007033096 Port-au-Prince Signal FM Radio in Creole 1130 GMT 19 Jul 96

[From the "0730 Appointment" newscast]

[FBIS Translated Excerpt] About the arrest of former General Claude Raymond, the Haitian public prosecutor, Attorney Jean-Auguste Brutus, says this arrest is not part of any plan having to do with the former Duvalierists, as alleged by some political leaders. The operation was carried out in a spirit aimed at creating a peaceful and stable environment in the country, according to the statements of the public prosecutor. He also said that they will send Claude Raymond to stand trial. [passage omitted]

Mexico: Protection Offered Against Helms-Burton Law

PA2007161396 Mexico City LA JORNADA in Spanish 18 Jul 96 p 1

[Report by Raul Llanos, Ismael Romero, Ricardo Aleman, David Aponte, Jose Urena, and Armando Torres — received via internet]

[FBIS Translated Text] Yesterday, Jose Angel Gurria, head of the Foreign Relations Secretariat (SRE), told leading Mexican businessmen that the Mexican Government will defend their interests and will protect them from the future effects of the Helms-Burton law. He stressed that all options are open, including the International Court at The Hague, the WTO, and NAFTA mechanisms.

At the private meeting, the leaders of the top corporations expressed their concern by pointing out that the problem has not been resolved yet and the effects of the controversial legislation are latent, like a Damocles sword; hence, they urged Mexican authorities to set up legal mechanisms. In addition, they proposed the creation of a law to protect investors with interests abroad.

Meanwhile, Raul Ramos Tercero, under secretary of regulations in the Commerce Secretariat, indicated that the Federal Government continues the consultations begun several weeks ago with the U.S. Government to annul the Helms-Burton law and spare the businessmen any damage.

At the roundtable dubbed "The Helms-Burton Law From a Legal Point of View," organized by the Institutional Revolutionary Party [PRI], government officials and PRI members recommended Mexican businessmen not comply with this legislation and asked Mexican authorities to send "several diplomatic notes of protest" to the United States.

Members of the same PRI bloc in the Permanent Congressional Commission supported the position of President Ernesto Zedillo's government to reserve the right to adopt measures conducive to protecting Mexican companies against stipulations of this law.

Yesterday afternoon, Gurria held a two-hour meeting with the top companies commission of the Employers Confederation of the Mexican Republic (Coparmex). This group is constituted of companies such as IBM, Femsa [Mexican Economic Development, Inc.], Dupont, Sidek, Bayer, Arancia, Cemex [Mexican Cement], GBI, Bancomer [Bank of Commerce], Apasco, and the Mexican Development Group (GDM), among others. Gurria spoke to this group about the repercussions of the Helms-Burton law.

At the meeting, which was headlined by Coparmex President Carlos Abascal Carranza, on behalf of the companies, Gurria Trevino stressed that the Mexican Government is unrelentingly committed to finding an adequate solution to the conflict brought about by the Helms-Burton law and that the alternatives being considered for this goal are on the right track.

Concerning the implementation of this law, Gurria reiterated that Mexico reserves the right to adopt all necessary measures, domestic and international, to defend the interests of both Mexican companies and nationals.

Along this line, Gurria noted that the government continues to work on the antidote law, which will provide a mechanism for the businessmen to defend themselves against the Helms-Burton law and to face conflicts in other regions of the world.

At the private meeting, held at a prestigious hotel in Polanco, the businessmen asked that an antidote law be analyzed carefully and "prudently" so that it will help rather than hinder.

In the meantime, Senator Jose Luis Soberanes noted that the decision by U.S. President William Clinton to implement the law constitutes a violation of international law and seeks to undermine the sovereignty of nations by hindering peaceful coexistence among countries.

Speaking during the meeting of the Permanent Congressional Commission, Gurria mentioned that the Mexican Government's position redeems the fundamental principles of international law, which establishes the possibility that any individual or company can invest in any country with full respect for its legislation.

Soberanes pointed out that currently Mexican legislators have the responsibility and obligation to explore the creation of competent legal mechanisms designed to neutralize the Helms-Burton law and give legal security to Mexican nationals and companies with interests in Cuba.

However, it was confirmed in Congress that, up until yesterday, none of the chambers is working on an "antidote" bill.

Last, French Ambassador to Mexico Bruno Delaye, who is visiting Monterrey, Nuevo Leon, said that the French Government will present to the WTO the case of the extraterritorial nature of the Helms-Burton law and added that, thus far, only one French company has received a letter of warning on the sanctions.

Mexico: Government To Stress Struggle Against U.S. Law

PA2007211796 Mexico City EL FINANCIERO in Spanish 18 Jul 96 p 22

[Report by L. Rodriguez, I. Becerril, V. Chavez, and J. Rodriguez — received via Internet]

[FBIS Translated Text] The Mexican Government has confirmed that it will not refrain from using the legal defense mechanisms provided by NAFTA to counter the effects of the Helms-Burton law.

Raul Ramos Tercero, under secretary for standards and services to industry and foreign trade, has reported that the creation of an antidote law is being considered.

U.S. Government pressure continues. The United States has urged the European Union, Mexico, and Canada to freeze all aid to Cuba, except humanitarian aid, to force this country "to improve its democracy."

In a private meeting with Foreign Relations Secretary Jose Angel Gurria, the business sector insisted on the need to draft legislation to protect Mexican investors abroad.

Carlos Abascal Carranza, president of the Employers Confederation of the Mexican Republic (Coparmex), said this legislation should be applicable in Mexican territory and facilitate the application of international agreements with other countries on investment. He said the legislation, with sufficiently clear legal mechanisms, should make it possible to litigate in other countries' courts when the rights of Mexican enterprises are violated.

In the meeting, attended by nearly 40 employers, it was agreed that the Helms-Burton law problem has not been settled but postponed six months and that, for this reason, Mexico should advance in outlining internal measures to protect investors in this and any other situation.

The meeting underlined the need for Mexico to help in creating a more and more balanced international law, which facilitates the relations being truly governed by trade rather than subjected to the fluctuations of protectionist attempts, Abascal Carranza said.

French Ambassador to Mexico Jacques Lecomte described as positive President William Clinton's decision to postpone the enforcement of Title III of the Helms-Burton law for six months. He added that this time is too short, however, because the U.S. threat persists.

He said that the enterprises with investments in Cuba will remain anxious until next year and that commercial relations between Mexico and the United States in the agriculture, textile, and service areas will encounter serious difficulties.

He recommended that Mexico increase its commercial presence in Europe and stop regarding its northern neighbor as its only alternative.

The Mexican business export community urged the Mexican Government to adopt a firm position. The community insisted on the need to speed up the drafting of an antidote law and the installation of a panel to solve the problem posed by the Helms-Burton law.

The National Foreign Trade Council (Conacex) pointed out that the U.S. Government's decision to postpone the enforcement of Title III for six months constitutes a delay that should not lead Mexico to a passive stance and that Mexico instead should keep advancing in drafting legal mechanisms to defend exporters.

Conacex warned that a commercial war could be unleashed if the United States persists in this type of action, because the world's reaction has not been long in coming.

In addition, Ramos Tercero said that Mexico has not yet backed down in its decision to use NAFTA's arbitration panel to solve the Helms-Burton law problem and has not "folded its arms."

He reported that the authorities should consult with the U.S. Government. "We are discussing this problem with the mechanisms established by NAFTA," he said.

In addition, PRI [Institutional Revolutionary Party] Senator Jose Luis Soberanes said the enactment of the Helms-Burton law runs fully contrary to NAFTA principles and that the idea of penalizing countries that disagree with U.S. foreign policy violates Mexico's traditional foreign policy, which is based on the principles of nonintervention and the peoples' right to self-determination.

Mexico: PRI, PRD Urge 'Diplomatic, Political Offensive'

PA2007005896 Mexico City REFORMA in Spanish 17 Jul 96 p 1

[Report by Patricia Sotelo and Claudia Ramos — received via Internet]

[FBIS Translated Text] The PRI [Institutional Revolutionary Party], PAN [National Action Party], and the PRD [Party of the Democratic Revolution] urged the government, through several deputies, to begin a diplomatic and political offensive to have the Helms-Burton law repealed.

Samuel Palma, secretary of the Grand Commission of the Chamber of Deputies, said that the postponement should be taken advantage of to seek a negotiation with the U.S. Government and prepare the antidote law to counteract the effects of the Helms-Burton law.

"This postponement is also an opportunity to establish some sort of negotiation, talks, and prepare our ideas for a possible antidote law," Palma said.

PAN Deputy Alejandro Diaz Perez said that Mexico should continue to exert pressure, but considered that Mexico is in no condition to apply sanctions against the United States due to existing economic dependence. "It is not convenient for Mexico," he said, "as much as 65 percent of Mexico's foreign investments come from the United States, therefore, in the event of a trade war, Mexico would have most of the problems."

Meanwhile, PR[illegible] Deputy Cuauhtemoc Sandoval demanded that the antidote law be enacted. He proposed that Mexico design a strategy with Latin American countries to form a bloc to face the U.S. law.

Likewise, Fernando Solana, president of the Senate's Foreign Relations Commission, said that Congress should debate and approve in the extraordinary session period an antidote law that will allow the Mexican judicial system to reject decisions made abroad, with provisions to claim for damage, and to serve as a basis to empower the government and foreign relations secretariats to limit entry to the country of those who advocate these types of laws.

He explained in a REFORMA interview that the so called "mirror law" should start out by explicitly prohibiting the application in Mexico of any foreign law with extraterritorial coverage, especially when it intends to limit the commercial activities and investments of Mexicans in other countries.

Mexico: EZLN Criticizes Government Positions

PA2007141896 Mexico City LA JORNADA in Spanish 18 Jul 96 p 1

[Report by Jose Gil Olmos and Elio Henriquez — received via Internet]

[FBIS Translated Text] San Andres Larrainzar, Chiapas, 17 Jul — Following the conclusion of the first meeting on Democracy and Justice under the new rules for negotiation, the contents and reach of the proposals of the Zapatist National Liberation Army [EZLN] and the government are at odds. While the EZLN says the government's proposals are "insufficient and superficial," the government delegations described the results of the meeting as "positive."

After exchanging documents on Wednesday, the two parties made public their proposals. In an eight-page document, including 17 broad points, the government made a general proposal for a new "social pact" and "a democratization of the nation." In a 37-page proposal, the EZLN warned that "democracy is much more than honest elections: it has to do with the participation of the citizens and people extending to every corner of our country's social, productive, political, and cultural life.

In a communique, the EZLN leadership said that the official proposal regarding the electoral plan "is far behind what the government has expressed in negotiations with political parties," because it avoids "significant elements for political reform such as the need for equality and honesty, autonomy of the IFE [Federal Electoral Institute], an end to the monopoly of political parties in participating in the elections, making electoral coalitions more flexible, recognition of independent candidates, and elimination of the government's prerogative to grant registration to political parties."

In addition, the EZLN delegation said that what had been approved in the Rights and Indian Culture meeting in San Andres regarding the revocation of the mandate and independent candidates had been "left behind."

Despite being aware of the different "nature" of the two proposals, Harmony and Peace Commission Acting President (Cocopa) Cesar Chavez said that during the two-day meeting the goal of "determining along which lines the talks on the issues of democracy and justice would be discussed during a 6 August plenary session was achieved."

The legislator described the EZLN document as including "a very complete position," whereas the government's proposal was of a "technical" nature, but it outlined the nature of the upcoming negotiations between the two parties.

The Federal Government's Proposal

In the eight-page document, in a general proposal which gives no details of its commitments, the official delegation presented "key elements to establish an agreement" on a national or local level based on 17 essential points: Promote a new legal statute for participative democracy; incorporate and regulate the instruments of this democracy; modernize the legal framework of social and civic organizations and their mechanism for dialogue with the government; and guarantee the independence of the electoral organizations, the legality of the elections, and the fairness of political contests.

Moreover, the communique promotes the incorporation of the ideas of political associations into the political reforms currently in progress, the reduction of presidential power, the strengthening of state and municipal governments, the creation of mechanisms for citizens' control of the public actions, and the assignment of a new role to the communications media.

In addition, to broaden the participation of women in public life; promote the strengthening and efficiency of the state of law to bring about the full enforcement of human rights; strengthen the National Human Rights Commission; ensure respect for individual and social guarantees through political reforms and the procurement of justice; strengthen the participation of civilian society in improving the penitentiary system and matter of public security; promote the efficient and speedy administration and application of the labor laws; improve the exercise of labor laws; and promote social justice.

The EZLN Proposal

Making public its extensive 37-page document, the EZLN delegation said that it wanted "the people to have, preserve, and exert power; understood in this way democracy surpasses by far the group of measures and procedures to establish, handle, and control political power."

The EZLN's proposal, which includes over 160 points, including constitutional, electoral, political, social, human rights, labor, economic, union, and many other changes, presents the need "to establish in the Constitution a representative democracy, a direct democracy, a social and participative democracy."

In this regard, in a communique read by *Commander Tacho*, the EZLN delegation warned that grass-roots democracy is a requirement as well as a necessity in rebuilding our nation. This democracy requires a new relationship between the government and the governed in which those who will take on the role of citizens will rule by obeying.

Regarding the official document, the EZLN said regarding democracy, that its counterpart "avoids issues as significant as the need to change the system, and the separation of the official party from the state. It also avoids the definition of a new social contract and the need to dismantle corporation-like authoritarianism.

Regarding the presidency, the Zapatist delegation pointed out that the government presented the problem of maintaining a balance of power between the different branches on the basis of curbing the executive branch's power, when the real problem is much more complex. In this regard, the EZLN confirmed that the government communique does not expressly forbid the federal executive branch from continuing to use its "paralegal functions," or that the use of the president's "petty cash box" be regulated. In addition, it does not point out the need to forbid the president from simultaneously being the "head of the official party," nor does it establish real control over the practically discretional use of diverse budget resources.

As for the justice system, the EZLN added that the government's position does not mention the changes that need to be made in the organizations that are most clearly responsible for human rights violations, such as prosecutors' offices or police forces, as well as in the courts in charge of the protection of those guarantees and the corresponding legislation.

The EZLN said that is why the documents presented by the government delegation "are insufficient and quite superficial, not enough to seriously lay the groundwork for negotiations."

Mexico: Chuayfett Offers Madrazo Case Review

96P20462A Mexico City LA JORNADA in Spanish 18 Jul 96 p 1

[Received via Internet]

[FBIS Summary] In an interview with Mexico City LA JORNADA newspaper, new Party of the Democratic Revolution President Andres Manuel Lopez Obrador said that Interior (Gobernacion) Secretary Emilio Chuayffet has offered to "review" the electoral funding abuse case against Tabasco Governor Roberto Madrazo.

Mexico: Appeal to Governors on Resource Use

96P20463A Mexico City LA JORNADA in Spanish 18 Jul 96 p 1

[Received via Internet]

[FBIS Summary] At a 17 July Los Pinos presidential residence luncheon meeting, President Ernesto Zedillo called upon six of Mexico's governors to make the maximum effort to get more out of their limited resources and be very attentive to social demands. A review of the economic situation in each state was done during the meeting. The governors denied that Guerrero's People's Revolutionary Army was discussed, according to the paper. Participating in the meeting were the governors of Guerrero, Sinaloa, Tamaulipas, Morelos, Yucatan, and Puebla.

Guatemala

Guatemala: Minister Voices Satisfaction on Law Deferment

PA2007150196 Guatemala City LA REPUBLICA in Spanish 18 Jul 96 p 4

[Report by Eduardo Guerra]

[FBIS Translated Text] A group of Cuban technicians and experts in the field of anesthesiology will visit our country in August at the request of the Ministry of Public Health and Social Welfare, Foreign Minister Eduardo Stein yesterday reported.

The arrival of the Cuban anesthesiologists will be very helpful for the Ministry of Public Health and Social Welfare, because there is a shortage of Guatemalan doctors in this field of medicine, and this shortage creates difficulties for the professionals of this country.

Other types of Cuban experts may be expected to come to our country as well. They would come to train Guatemalan doctors in different branches of medicine.

Cuban doctors have experience after serving in many parts of the world. Therefore, the aim is to improve specialized attention at Guatemalan public hospitals, which so far lack this type of specialized professionals.

Regarding the Helms-Burton law, without meddling in international political affairs, Stein expressed that it was somehow satisfactory to learn about President Clinton's decision to keep this law on some sort of hold.

Clinton could have predicted the negative effects that the implementation of this law would entail. In addition, the postponement of this law for six months does not resolve the real problem. This decision demonstrates the rectification of U.S. foreign policy, not only in commercial affairs.

According to Foreign Minister Stein, "this demonstrates that, as President Arzu initially expressed, the toughening of sanctions has proven ineffective in resolving international differences between countries, and in this particular case with consequences for third countries. These consequences violated international commercial agreements, prompting reaction from diverse countries such as South American countries, Canada, the European Union, and other countries that may be affected by it."

The issue is a complex one, Stein noted, "because this legislation withdraws certain discretionary powers from the president. These powers are now placed under the legislative, and leave it up to the U.S. Congress to determine the next steps in resolving the dispute it maintains with the Cuban Government."

Guatemala: Minister Visits Cuba To Strengthen Ties

PA2007131496 Guatemala City PRENSA LIBRE in Spanish 18 Jul 96 p 1

[FBIS Translated Text] Foreign Relations Minister Eduardo Stein has confirmed that the visit Culture and Sports Minister Augusto Vela Mena is making to Cuba is official.

Indeed, the visit being made by Culture and Sports Minister August Vela to Cuba is official and only deals with cooperation matters pertaining to that ministry. The minister will meet his Cuban counterpart, and this meeting is expected to yield good results for both countries, said Stein.

The foreign minister pointed out that this is the first official visit by a high-ranking Guatemalan official to the Caribbean island.

Stein indicated that the visit falls within the framework of mutual cooperation efforts with Cuba, mainly in the areas of culture, sports, and health.

There are areas in which Cuba is very strong and Guatemala is carrying out mutual cooperation efforts with the island. In the areas of culture, health, and sports this relationship will continue to be maintained, Stein said.

The foreign minister stated that, in the area of health, for example, both countries will continue to explore specific areas of cooperation. A second visit to Cuba to deal specifically with this subject is expected in the second half of the year.

We will continue to develop schemes for technical cooperation with Cuba, Stein concluded.

Nicaragua

Nicaragua: Army Abolishes Armed Groups Along Border

PA2107022596 Managua BARRICADA in Spanish 17 Jul 96 pp 1, 8

[Report by Freddy Garcia Eschke]

[FBIS Translated Text] The Nicaraguan Army has abolished the presence of the armed groups that were "lords and masters" in the broad border area with Honduras, between the confluence of the Coco and Poteca Rivers and San Andres de Bocay, and have reestablished peace and order in those remote regions, to the relief of the approximately 14,000 people who live in the zone.

Lieutenant Colonel Julio Cesar Aviles, chief of the sixth regional military command, has told the residents of Wamblan, Somotine, Bolinki, El Tablazo, San Andres de Bocay, and other communities located along the Bocay and Wangki—Coco—Rivers that the troops had arrived "to stay and safeguard them" from the small armed groups still existing and fleeing from the Army.

"We have been living as if we were not Nicaraguans. The government had a responsibility with us when it assumed control. Most of the people in the area took refuge in Honduras but returned later, and we as Nicaraguan citizens should have the same rights as the rest of the citizens in the country," said Somotine Peace Commission President Jose Primitivo Valdivia Ubeda when he received the military chief who inspected the settling of troops in those communities yesterday.

"You have to earn the trust, appreciation, and respect of the people," the sixth military command chief ordered his troops in the presence of the area residents, whom he told: "You now have friends and supporters here. We are here to serve you without political distinctions. Please see me as a friend to whom you can turn." This message was repeated at all the communities he visited.

The Bolinki residents received the military commander and troops with Nicaraguan flags as if to clearly state they are Nicaraguan citizens even though the current government has forgotten and abandoned them during the past years.

"Our institutions are already here. The rest of the government now has to come attend to the needs of the people. The government must use the Army as the backbone of its actions. The Army will give the necessary security so other government institutions can provide adequate service to the people," Aviles said after ending his inspection tour yesterday.

Aviles repeated to the reporters who were covering the event that justice, the Police, credits, health, and education must now get to the communities that have been abandoned for six years. The government also must repair the roads to these places, because one can only get there by helicopter or by traveling for many hours in a canoe, on foot, or on mules or horses.

In the area there are between 40 and 50 armed groups headed by criminals who have aliases such as Diablo, Pajarillo, Licenciado, Lobo, Estrella, and others. The groups intimidated the more than 14,000 residents, including 15 Miskito and 10 Suma indigenous peoples communities, in the border area of Jinotega Department.

Nicaragua: Police Destroy Salvadoran Weapons, Ammunition

PA2107135396 Managua BARRICADA in Spanish 17 Jul 96 pp 1, 8

[Article by Mario Sanchez P.]

[FBIS Translated Text] The National Police yesterday unearthed about 100 surface-to-surface missiles and other explosives used in heavy weapons, which residents from the area of Los Filos de Cuajachillo found at a small farm where Salvadoran war injured were receiving medical treatment and rehabilitation.

German Vasquez, the judge of the First Criminal District Court of Managua, to whom the police turned over the case, ordered the destruction of the weapons.

The weapons were blown up at the military target range used by the small units of the Special Forces of the Army in the vicinity of the Xiloa Lake in Managua.

BARRICADA has learned that the weapons, which had been hidden in a cave located in a basin at Yolanda Farm, belonged to former Salvadoran guerrilla leader Joaquin Villalobos.

The only person under arrest at the police station in Ciudad Sandino is Juan Hipolito Perez Marquez, a Salvadoran who was a nationalized Nicaraguan and who was in charge of a farm about five manzanas in area, presumably owned by Salvadoran Ramon Centeno Mayorga.

Perez Marquez told the police that he was unaware of the existence of the "little" arms cache in Cuajachillo, but the authorities will continue with the investigations. They turned over the case to the First Ciminal District Court in Managua.

Subcommander Arnoldo Pastran, director of Public Relations of the police, said that due to poor storage techniques, the artillery weapons were practically destroyed by rust. It is believed that the weapons were buried in the days following the elections on 25 February 1990.

The ammunition includes 119 grenades for RPG-7 rockets or surface-to-surface rockets, 103 81-mm mortar heads, seven M-79 grenades known as "little monkeys" [monitos], and seven grenade propulsion vanes [aletas propulsoras de granadas].

The ammunition also included some 1,200 grams of TNT explosives, 825 grams of Trilita explosives, 86 mortar head protectors, six propulsion boxes for surface-to-surface rockets, 33 plastic bags with wires for explosive detonators, 213 bayonets, 32 magazines for AK-47 rifles and two magazines for M-16 rifles, and some 817 cleaning accessories for these weapons.

Nicaragua: Electoral Developments Through 20 Jul

PA2107011996

[FBIS Report] The following is a compilation of reports on developments leading up to Nicaragua's 20 October 1996 elections monitored through 20 July.

According to a Cid-Gallup poll, 36 percent of voters would choose Liberal Alliance candidate Arnoldo Aleman if the elections were held today, while 26 percent would vote for Daniel Ortega, presidential candidate for the Sandinist National Liberation Front, FSLN, states a 10 July, Managua-datelined report. The survey was conducted among 1,260 Nicaraguans between 26 June and 2 July. According to the poll, Aleman gained three points in the last two months while Ortega gained five points. (Panama City ACAN in Spanish 1650 GMT 10 Jul 96)

Finance Minister Emilio Pereira has denied the ministry has delayed the delivery of political party funds for the upcoming electoral process. Pereira added that amounts for each party must be clearly established by the ministry, which up to now has 117 million cordobas available for the elections, not including donations. (Managua LA PRENSA in Spanish 14 Jul 96 p 10)

The FSLN held a rally in District Six of Managua on 14 July to commemorate the deaths of Commanders Jose Benito Escobar and Julio Buitrago. FSLN candidate Daniel Ortega delivered a speech in which he stressed the need for unity to win the elections. "Uniting the great Sandinist family is to unite the country, which will allow us to win the upcoming elections," he said. (Managua BARRICADA in Spanish 15 Jul 96 pp 1, 7)

More than 10,000 Sandinists headed by their candidate, Daniel Ortega, took over the streets of Esteli in an impressive parade that has ended with "a jam- packed political rally at the Domingo Gadea Plaza to commemorate the 17th anniversary of the liberation of that city from the claws of the genocidal and defunct National Guard." During his speech, Ortega said: "Just as the city got rid of Somoza, we will rid the country of unemployment, hunger, and the lack of health and education." (Managua BARRICADA in Spanish 17 Jul 96 pp 1, 4)

Presidency Minister Julio Cardenas has insisted the government will disburse only 17 million cordobas to the political parties, alliances, and associations that will be participating in the upcoming presidential election even though National Assembly deputies claim it should be 33 million cordobas. The law states that 15 percent of the 227 million cordoba budget allocated for the Supreme Electoral Council should be given to political parties. (Managua EL NUEVO DIARIO in Spanish 17 Jul 96 p 2)

Residents of Santa Teresa, Carazo Department, gave FSLN founder Tomas Borge a warm welcome the afternoon of 17 July during the 17th anniversary celebrations of that municipality's liberation. During his speech, Borge said that if the FSLN wins the 20 October elections, priority will be given to the farmers, whom the current government has neglected. He said the FSLN vice presidential candidate is Juan Manuel Caldera, a farmer. (Managua BARRICADA in Spanish 18 Jul 96 p 8)

The Supreme Electoral Council, CSE, is working on a procedure to ensure that state funds will reach each and every one of the 32,000 candidates running for public office; this would make Nicaragua the first Latin American country to implement this measure to ensure an equitable distribution of funds. Parties comprising an alliance will be treated as individual parties under this procedure. (Managua BARRICADA in Spanish 18 Jul 96 pp 1, 16)

The FSLN "surprised" the Nicaraguan and Cuban communities in Miami when it opened an office in the Kendall area in early July. The FSLN office was opened in Miami to give broad dissemination to the FSLN's electoral platform among the Nicaraguan community and to explain its "alliance" with Nicaraguan farmers to increase production, to improve the economy in general, and to improve employment, health, and education. The office also will explain the agreements reached by FSLN presidential candidate Daniel Ortega Saavedra and vice presidential candidate Juan Manuel Caldera. (Managua BARRICADA in Spanish 18 Jul 96 pp 1, 14)

Electoral Prosecutor Marco Antonio Baldizon has filed a suit against Liberal Alliance, AL, presidential candidate Arnoldo Aleman for bringing illegal, foreign donations to the country. Baldizon has claimed Aleman has violated Article 109 of the Electoral Law, which bans political parties and alliances from accepting foreign donations other than those earmarked for training. Aleman has brought to Nicaragua from the United States propaganda material for his electoral campaign. (Managua Radio Sandino in Spanish 1200 GMT 18 Jul 96)

On 17 July, Presidential Candidate Haroldo Montealegre commented on media reports questioning his nationality. He said the CSE "already has reviewed all my documents and has given the green light to my candidacy," adding: "I always have been Nicaraguan from birth to the present." He attributed media reports to "speculation." The candidate added that this reflects the "fear of corrupt politicians." (Managua Nicavision Canal 12 Television Network in Spanish 0400 GMT 18 Jul 96)

AL presidential candidate Arnoldo Aleman has said the National Police should be independent from the Army, because the nature of their duties are different. Aleman has said the Police's priorities should be to preserve public order and to guarantee the safety of Nicaraguans and protection of their properties. He added that there have been positive mentality changes within the National Police, which deserves more resources to carry out its duties. (Managua LA PRENSA in Spanish 18 Jul 96 p 3)

Political sources have told EL SEMANARIO that Moises Hassan, presidential candidate for the Renewal Action Movement, was on the right track when he has claimed that Arnold Aleman and Daniel Ortega are negotiating how they will distribute power after the October 1996 elections. According to the same sources, this has annoyed and elicited protests within the FSLN, the members of which consider this to be treason, because "Somozism and Sandinism are historically and irreconcilably on opposite ends" of the political spectrum.

National Project, Pronal, presidential candidate Benjamin Lanzas has said there have been contacts with centrist leaders to study the possibility of an alliance for the upcoming elections. He added that the idea is "to determine which centrist candidate will be leading the pack by September and to convince the others to give full support to this candidate to win the elections in the first round." Lanzas has denied former Pronal presidential candidate Antonio will be leading the campaign, because "my family and educational and business background will not allow anyone to boss me around." (Managua EL SEMANARIO in Spanish 19-25 Jul 9 pp 8, 9)

During a rally at Domingo Gadea Square in Esteli on 16 July, candidate Daniel Ortega has demanded from government authorities financing for political parties as mandated by the Constitution and the Electoral Law. He has said, however, it is preferable to receive no state funds if the government plans to raise such funds through new taxes. Ortega has said the government is obligated to obtain funds for this purpose at home and abroad. The candidate has said the delay in assigning funds to the political parties is due to the "irresponsibility of government authorities," because they should have accumulated the necessary funds in advance. Ortega has demanded security in northern Nicaragua to allow all parties to carry out their political campaigns there. He has said certain criminal groups are "waging armed campaigns in favor of Somozist Liberalism." (Managua LA PRENSA in Spanish 20 Jul 96 p 7)

FSLN presidential candidate Daniel Ortega launched his electoral campaign during a rally at Carlos Fonseca Square on 19 July. He proposed a public agreement among political parties, with Cardinal Miguel Obando y Bravo as the guarantor, to respect the results of the upcoming elections. Ortega said this would ensure that "the winner will not adopt a vengeful attitude and violate the law and the losers will respect the results the CSE will reveal." Ortega urged Nicaraguan citizens not to vote for Somozist liberalism, because it represents a continuation of the current situation of unemployment and abject poverty. The candidate urged the authorities to guarantee security throughout the country during the elections to eliminate any claims of fraud. Ortega reaffirmed his promise that there will be no military service and assured that "relations with the United States will be different, because President Clinton respects Nicaraguan decisions." (Managua EL NUEVO DIARIO in Spanish 20 Jul 96 pp 1, 2)

FSLN vice presidential candidate Juan Manuel Caldera said on 19 July that the gist of his alliance with the FSLN is "the consolidation of production via control over seven ministries related to national production." Caldera said his administration would "guarantee land ownership, eliminate confiscation policies, and compensate the unjustly confiscated." He proposed the establishment of a national farmers council to serve as the liaison among the government, farmers, and consumers, as well as to serve as an international link. Caldera urged all Nicaraguans to stop confrontation, because Nicaraguans can endure no more unemployment and high interest rates. The vice presidential candidate also called for the reconciliation of all Nicaraguans. (Managua BARRICADA in Spanish 20 Jul 96 p 8)

Nicaragua: Alfredo Cesar Views Elections

96CA0255A Managua EL SEMANARIO in Spanish 21-27 Jun 96 pp 10-11

[Interview with UNO 96 presidential candidate Alfredo Cesar Aguirre by Jorge Katin; place, date not given; first paragraph is EL SEMANARIO introduction]

[FBIS Translated Text] Alfredo Cesar: the architect of the famous Law 131 on property which emerged from the National Assembly in 1992 and almost plunged the nation into chaos; the promoter of the first parliamentary accord which in 1990 destroyed the unity of UNO [National Opposition Union] in the National Assembly from the first day of the new legislature's installation; a member of the Contra leadership in the late 1980s; a former official of the Sandinist government, who deserted in 1981 to join with the opponents of the FSLN [Sandinist National Liberation Front]. Alfredo

Cesar Aguirre, one of Nicaragua's most controversial politicians in recent years, has now entered the race as the presidential candidate of a rejuvenated UNO which is attempting to capture the vote not yet committed to either Aleman or to Ortega. Cesar faces a very great challenge, perhaps greater than the rest of the candidates who are competing for control of the political center. His political career, in which he has been accused of many betrayals and underhanded dealings, is his major handicap. Aaaah... he is also the brother-in-law of Antonio Lacayo, another presidential candidate.

[EL SEMANARIO] Why go back to UNO, when its role seemed played out in 1990?

[Cesar] Because the UNO of 1990 did not fulfill one of the three major promises which it made at that time. It pledged to put an end to the war and to compulsory military service, and it did so. It pledged to restore public freedoms, and that was also done. However, it also promised to move the nation out of poverty and to set it on the course of development, and in that it failed. It failed because Violeta de Chamorro's government split from the UNO parties. That caused UNO to move to the opposition. The old UNO is what now inspires the new UNO. That unkept promise is our principal motivation for taking up that promise in these elections. This is an ethical and moral commitment to Nicaragua. That is why a number of parties and groups have come together as we did in 1990 to make that pending promise the central axis of our 1996 campaign.

[EL SEMANARIO] But are you not going back to a name that is worn out, with conditions different from what they were in 1990?

[Cesar] The situation has actually deteriorated and the needs are greater now than in 1990. We have relative macroeconomic stability. The monetary slippage is causing problems in the worst possible place, the pockets of wage earners. Private business development has not moved forward, and now there is more unemployment than in 1990, and more poverty, speaking in general terms.

[EL SEMANARIO] But how will the voter distinguish between the failure of that government and this new UNO now entering the campaign?

[Cesar] That is a risk, and other people have already told us that. We have confidence that the voters will be able to make that distinction, because by 1993 UNO was clearly in the opposition. There was even a large march in which over 50,000 people turned out to support our separation from the government's policies. That separation came about precisely because of economic issues. We know that some people will say that it was UNO which failed; but we know that the majority will recognize that UNO did restore freedoms and eliminated SMP [Patriotic Military Service], and that UNO did not govern beyond the first few months of this administration. This failure is a failure of the government which UNO brought to power, but which separated from us almost at the very moment that it took office.

[EL SEMANARIO] What economic alternative are you offering to replace what you say has failed?

[Cesar] After the axis of our program, to move the country out of poverty, was identified, we committed ourselves to presenting it realistically. We are not going to promise anything that we cannot deliver. We are opposed to and enemies of demagoguery. We have concentrated on supporting the countryside, agriculture, and livestock. That will be the real focus of our program. In a Nicaragua of eight million manzanas, five million are not producing anything; one million produce agricultural products; and two million are used for livestock. The rest is idle land. This land is a resource that we need to invest in. Secondly, there are huge numbers of unemployed in the countryside who, among other things, know how to work that land. We need financing and security. Security both in land ownership and physical security for the producer. We will restore external private credit, since our national banks do not have the capacity to handle this immense task. During the 1970s two-thirds of the financing was provided through foreign credit, and not many middlemen were involved. That removes pressure from bank financing. That is how we think that credit for agriculture can be greatly expanded. Every agricultural job generates jobs in the cities. We will not neglect the cities, but the countryside will lead the way.

[EL SEMANARIO] Does your party have an electoral strategy to overcome the lead that some of the other parties have, which are now far ahead of you?

[Cesar] We knew when we started that the polls have been showing that about 40 percent of the voters do not like either the liberal option or the FSLN option. Without any question, there is a broad mass of voters who are looking for some other option. I know there are a number of parties clamoring to fill that space. Still, we do not see any problem since the essential thing is to create a government that reflects the democratic center of Nicaragua. We know that if the FSLN should win, that would bring about enormous economic instability, and if the Liberal Alliance should win, in our opinion that would bring about great social and political instability, blocking the nation's economic recovery. We are convinced that we need a government that reflects the democratic center of Nicaragua, to ensure political stability as a condition for creating jobs. It was not possible to form alliances for the first round because of lack of time, but in UNO 96 I am convinced that along with our own campaign, we need to prepare a center alliance for the second round.

[EL SEMANARIO] Where will UNO be in the second round?

[Cesar] I want us to prepare ourselves for the centrist option, so that we can unite.

[EL SEMANARIO] Against whom?

[Cesar] Well, we will see what the results are. But we will be in one of the first two spots.

[EL SEMANARIO] I repeat: Against whom do you think this center option will be running?

[Cesar] The first two spots will definitely not be held by the liberals and the Sandinists. Only one of the two will reach the second round to compete against the democratic center option.

[EL SEMANARIO] What is going to happen in Nicaragua to change the trend that indicates that those two groups will be the finalists in the second round?

[Cesar] It is still quite early. Four months for an election like this one is an eternity. In more stable countries, dramatic changes happen in four months, and that is even more true in our case, with less political stability. In my opinion, it is logical that the liberals and the FSLN should now be in the lead, for two reasons. In the first place, they are the parties that have held power in the last 50 years in Nicaragua. Many people benefited during the 40 years when the liberals were in office, and the ten years of the FSLN's government also developed significant support. In the second place, both have been running a permanent but unofficial election campaign. And now, 40 percent of the voters do not want either of them.

[EL SEMANARIO] Are you not afraid that with so many center options, the vote will be so scattered that the FSLN and the liberals will be able to take the first two positions?

[Cesar] That is why we wanted to form a single alliance, but the time before the election was very short. We will see what happens in the first round, and I firmly believe that there will be a second round, and that UNO does have a chance to enter that second round.

[EL SEMANARIO] You are someone who has often been the target of your opponents' criticisms, and the media has created an image of your personality which is not very helpful in your campaign. How will you counter this?

[Cesar] The attacks all show where they come from and frankly, I have no interest in explaining my views to those sectors. In the first place, I was attacked very strongly by the Sandinists, and that is reflected in the polls. And secondly, by the government sector, which is now being rejected by the people. Still, opinion between the UNO voter and the new voter is very positive. That is why I was chosen to represent this option, as having chances of winning.

We know that we got off to a late start. The Alliance was formed barely two months ago, in April. A month later we selected the candidates and then we spent another month organizing. This means that we are interested not only in winning the election, but also in being a constructive factor through the type of campaign that we are going to run, that we have pledged to run, which will be a campaign of dignity, without negative attacks.

[EL SEMANARIO] How do you foresee the makeup of the National Assembly after the October elections?

[Cesar] It is certainly not going to be dominated by any one political group. There will be representatives of the principal political parties. I see at least five representations. There the experience with coalitions that some of us have, like the inexperience which others who have never built coalitions, will be important. The fact that the Assembly has many new constitutional powers is going to be a factor. We will exercise these powers jointly with the Executive until the first days of January when the Framework Law expires. When the new president takes office on 10 January, he will find an Assembly with full constitutional powers, without which he will not be able to govern. That vote will certainly be distributed among representatives of the Liberal Alliance, the FSLN, UNO 96, MRS [expansion not given], Pronal [National Project], the Conservative Party, and some others. It will not be able to be controlled by a single group in particular, and it will need the negotiating skills of the political actors, including the president. Nicaragua will need not a boss, but a real president. I have confidence that the people of Nicaragua will in the end realize that rather than electing a boss, they will be electing a true president with the ability to tolerate the diversity of thought that exists in Nicaragua, and to lead the country out of poverty.

[EL SEMANARIO] Do you have support from private enterprise?

[Cesar] We are seeking support from the citizens. In the organized business community we have good will, for having Roberto Teran as our vice president and also because we are perceived as a viable option and one which will provide the stability necessary for progress in the business sector. We would not destroy the minimum stability that has been achieved in recent years, as other groups claim. We are sure that on a personal level we will receive important support here.

Panama

Panama: Molirena Official on Opening Talks With U.S.

PA2107031396 Panama City Circuito RPC Television in Spanish 2300 GMT 19 Jul 96

[Report by Ilka Gonzalez from the "RPC Television News" newscast]

[FBIS Translated Text] The National Executive Committee of the Nationalist Republican Liberal Movement [Molirena] believes it is not advisable for the talks between Panama and the United States on the possibility of extending the U.S. military presence in Panamanian territory beyond the year 2000 to continue at an informal level.

Members of Molirena's National Executive Committee gave their opinion after meeting with Foreign Minister Ricardo Alberto Arias to learn of the status of the talks between Panama and the United States. According to them, the United States up to now has taken advantage of these talks to fix firm positions on specific topics, which this country has decided to exclude from all possible negotiation:

[Begin Molirena President Ramon Morales Quijano recording] If a formal proposal from the United States is received in this regard, we should open up a process of formal negotiation without conditions of any kind, particularly when it comes to the direct, economic benefits the Republic of Panama would receive. [end recording]

According to the Molirena members, neither the negotiations nor a possible agreement should delay the reversion of the Canal to Panama, and any agreement reached should have a short deadline and be submitted to a referendum. In addition, the establishment in the country of a multinational center to fight drug trafficking should not be confused with the topic of the U.S. military presence beyond the year 2000:

[Begin Morales recording] The favorable opinion by the majority of Panamanians on the permanence of the U.S. military bases in Panama, according to the surveys, is based on the premise that the Republic of Panama would receive substantial economic benefits. If the treaty that is reached does not clearly include these benefits, that favorable opinion would disappear, and the treaty could be rejected. [end recording]

The Molirena members also have said that due to the importance of the topic, the government is obligated to act with openness and to keep the public properly informed.

Panama: President Accepts Martinelli's Resignation

PA1907140296 Panama City Telemetro Television Network in Spanish 1730 GMT 18 Jul 96

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] According to a press bulletin issued by the President's Office, President Ernesto Perez Balladares has accepted Ricardo Martinelli's resignation from the post of Social Security Fund director general. In his letter of resignation, Martinelli thanked Perez Balladares for his confidence in him and reassured the President of his personal friendship and appreciation. Martinelli says he leaves the Fund in sound fiscal condition and with markedly improved medical services and benefits for insured members.

On accepting Martinelli's resignation, Perez Balladares said he understands that the former director's many duties in his private businesses require his attention and that he regrets Martinelli could not complete the excellent work he started as the Social Security Fund's head.

President: President on 'Morality' of Judging Contributors

PA2007124396 Panama City LA PRENSA in Spanish 19 Jul 96 p A4

[Report by Eva Aguilar and Elio Rujano]

[FBIS Translated Excerpt] Panamanian President Ernesto Perez Balladares has asserted that politicians cannot become evaluators of the morality of the people who contribute to their electoral campaigns. The president was alluding to a news item published by THE MIAMI HERALD yesterday, regarding Friederich Specht, a German citizen who donated half a million dollars to the Perez Balladares electoral campaign in 1994.

"I think it is unrealistic for politicians to first have to find out the contributor's reputation before receiving a contribution" from him, the president replied when he was asked about the issue.

Perez Balladares talked to reporters and made reference to this case during a benefit for Panama's handicapped people.

According to the president, what would really be serious is if politicians promised "to repay the services," that is to say, to acquiesce to the contributor's wishes.

The U.S. newspaper, THE MIAMI HERALD, published as its lead story yesterday, Thursday, that convicted bank embezzler Friederich Specht, who contributed more than half a million dollars to the Perez Balladares electoral campaign in 1994, had been described as a money launderer by U.S. officials who sent him to jail on fraud charges in 1988.

The U.S. newspaper added that Specht, who bragged about his connections with Manuel Antonio Noriega and the banks in Panama, had said, according to testimony on the case by an FBI agent at the 1988 trial, that he had a "free hand" to do whatever he wanted in Panama and that he could easily launder money.

Specht was never charged with money laundering activities but declared himself guilty on two charges of fraud and was sentenced to five years in jail. [passage omitted]

The newspaper adds that Specht got out of jail after serving 3.5 years of his sentence. However, he has refused to answer any questions unless a reporter goes to his office in Amsterdam, the Netherlands.

Panama: FM on Maritime Agreement, Howard AFB, Samper

PA1907170796 Panama City LA ESTRELLA DE PANAMA in Spanish 16 Jul 96 p A1

[FBIS Translated Text] Foreign Relation Ministry spokesman Erich Rodriguez Auerbach revealed on Sunday that Foreign Relations Ministry officials have been working hard over the weekend evaluating relevant issues.

MARITIME AGREEMENT

Rodriguez Auerbach recalled the following advantages in Panama's ratification of the International Agreement on Rights Over the Seas:

1. It is internationally recognized that our country will exercise jurisdiction over fishing and natural resources in an exclusive zone extending 200 miles from its shores;

2. It is recognized that the limits of the continental shelf may reach up to 350 miles;

3. Panama will receive scientific, technological, and financial benefits to explore and exploit Panama's existing natural resources at the bottom of the sea;

4. Our country may recur to the arbitration system to settle controversies included in the agreement, which completely guarantees our maritime interests;

5. The Gulf of Panama is universally confirmed as a historic bay, in whose waters the greater part of the nation's fishing wealth is found, and;

6. We achieved the following: we will be eligible quickly for election to the Board of Director's organization created by the agreements, in addition to ensuring support for next year's celebration of the Universal Congress on the Canal, that is very important to the future of the inter oceanic path.

HOWARD [AIR FORCE BASE] AND SAMPER

Regarding the situation created by the cancellation of Colombian President Samper's U.S. visa, Foreign Ministry spokesman Erich Rodriguez Auerbach said the ministry regretted the whole incident terribly. Nevertheless, from an official point of view, the Panamanian Government respects and will respect the relations between the two states involved. Regarding the confusion that arose from Panama's proposal to the Rio Group to create a Multinational Center for the fight against drugs, the high-ranking official added that it has become clear that this project "does not strictly adhere to the Canal treaties and is not conditioned by the presence or absence of U.S. military troops in Panama."

Panama: Foreign Minister Interviewed on Canal, Bases

PA2007161596 Panama City EL PANAMA AMERICA in Spanish 18 Jul 96 p 2A

[Interview with Foreign Minister Ricardo Alberto Arias by correspondent Henry Raymont in Washington; date not given — first two paragraphs are EL PANAMA AMERICA introduction]

[FBIS Translated Text] Newly installed Panamanian Foreign Minister Ricardo Alberto Arias, age 56, is facing serious challenges: He is replacing the well-known and popular Gabriel Lewis Galindo. He must face upcoming complex processes at the turn of this millennium when Panama will take over the full sovereignty over the interoceanic waterway upon which its worldwide geopolitical position depends. Moreover, he must lead the negotiations with Washington regarding the future of the military bases in the event that Panama decides to consider the possibility of maintaining a reduced U.S. military presence.

Arias, who traveled to Washington this week to say farewell to his former ambassadorial post, clearly stated his objectives during an impromptu interview with EL

PANAMA AMERICA correspondent at the Panamanian Embassy while his secretary was packing up his documents and books.

[Raymont] In your opinion, what are the main standards for Panama's foreign policy?

[Arias] In general terms, I believe that a country's foreign policy should first comply with its domestic reality; it must be aware of the main problems that the country is either facing or must resolve; and it must use its foreign policy as an aid to achieve this purpose.

In Panama's case, at the domestic level I observe two main topics, which are: first, a rundown economic system that has produced worrisome levels of unemployment and poverty, and second, the entire process by which Panama will take over the administration of the Panama Canal in the year 2000.

I believe that the Foreign Ministry's efforts should be directed, first, to contribute to establish mechanisms to achieve regional integration, to open new markets, and to promote investments, which may contribute solutions in order to strengthen domestic mechanisms so as to eliminate poverty and reduce unemployment.

Second, the Foreign Ministry's important efforts have been already directed toward an effective and efficient transition of the Panama Canal, to gain the support and confidence of the users of this interoceanic waterway, and to seek mechanisms to integrate the canal's activities into our economy.

[Raymont] There is a new generation worldwide that is becoming increasingly exposed to instant communications thanks to the accelerated dissemination of cybernetics. Does this somehow affect the sociotechnological expansion toward the development of international politics?

[Arias] It is affected in the sense that communications become easier between various foreign ministries and the Panamanian Foreign Ministry. This promotes responses that are more timely, faster, and maybe less pondered on some occasions.

[Raymont] Many analysts believe that an effect of these communications advancements is a reduced significance of embassies since foreign ministers and presidents themselves meet very frequently. How is traditional diplomacy affected?

[Arias] This is true. It happens that embassies have taken over other duties that go beyond acting merely as a means of communication between foreign ministries, duties which include communication with other communication groups and with social and economic sectors from other countries. The embassy will increasingly evolve from being a mere foreign ministry's mediator into becoming a more encompassing representative of national interests.

[Raymont] How would you define the so-called "special relationship" between Panama and the United States?

[Arias] I believe that rather than defining our relationship with the United States, this could be described in terms of the various and very particular economic interests that Panama and the United States have in common. The Panama Canal is the most outstanding of these interests; upon being turned over to Panama, the canal would likely boost the relationship that is required between our two countries.

In addition, there is Panama's geographic position that makes it a center for commerce, services, and transshipment. All of these make it possible for U.S. and Panamanian interests to merge into a relationship that is different, if you wish, from any other relationship that the United States can maintain with other countries in this hemisphere.

In this regard, the relationship between the United States and Panama can be defined as a special one.

[Raymont] Can this also be reflected on the parity of the bolivar [as published] and the dollar?

[Arias] Currency is indeed a part of this process. And obviously there exists the tradition of a very special relationship that still has impact today.

[Raymont] In your opinion, what is the best strategy that a country that has a small or a medium-sized economic, and perhaps even political power, can use to make its voice be heard by the arbiters of power in Washington?

[Arias] Panama will face a very important change during the next millennium. I believe that the fact that Panama will take over the control and management of an interoceanic waterway like the Panama Canal, which is so important for world commerce, will in itself make it possible for Panama's interests, voice, and opinion to reach farther beyond the scope of its economic power, particularly if the canal is efficiently managed and if Panama makes its voice and its opinion heard in a reasonable and planned fashion.

[Raymont] However, international political observers have a different point of view, which can be summarized in the saying: "He who doesn't ask, doesn't get." That is to say, if there is no crisis — and this applies to Latin American especially — Washington simply doesn't pay much attention.

[Arias] What you have just said is totally true. It is regrettable, but it is true. We were talking about how a small country with a small economy can have an impact that is greater than its size. My answer is that Panama's size becomes gigantic when it is viewed in relation to the Panama Canal's control.

In general terms, even with the typical U.S. policy of not paying attention unless there is a crisis, Panama's voice is going to have an impact beyond what can be expected from the size of its economy.

[Raymont] Will this trend be more noticeable as 1999 gets closer?

[Arias] Increasingly noticeable and much more so after 1999.

[Raymont] We have seen what must be a record amount of presidential, ministerial, and technical meetings in America lately. Is this another case of "much ado about nothing" or is a new regional alignment really being attained?

[Arias] I believe the technical meetings that have been held are very positive because they are setting the bases and establishing the guidelines with which we will really be be able to achieve a commercial and economic integration process in the hemisphere.

The political decision made at the Summit of the Americas (Miami, December 1994) was reached based on the work of the preparatory meetings in the months that preceded the summit. A few months before that, the summit did not have any real purpose and its objective was not clearly defined. That political decision was made a bit on the run and after making it, the countries have sort of sat around pondering it.

I believe the impact of that decision, together with the prevailing world trend to further economic integration, are going to lead to a political decision with more weight and content. And, in the measure that the bases for this union are already established, as a result of the technical groups, its implementation will be smoother.

However, I feel that the final, if you care to call it so, political decision has not been made. The different subregional groups are still studying the issue approved in principle at the Miami summit.

[Raymont] So, you agree with this government's spokesmen when they are asked about a more coherent long-term policy for Latin American and they answer in chorus: "wait until elections are over"?

[Arias] I go further than that. I believe this is part of an internal U.S. decisionmaking process and that the government, due to the upcoming elections and the structure of Congress, is a bit fearful of making a decision on this. However, I believe the process is taking place in the entire region, not only in the United States, and that it is not necessarily true that everyone will reach the same conclusion.

This is quite obvious, for example, in the Mercosur [Common Market of the South] case, which is strongly debating if Mercosur should be strengthened by linking to Europe or continuing in the hemispheric process. I believe the decisionmaking process, the assessment of decisions initially made, is occurring in a much broader manner than in the United States.

[Raymont] What impact have the new "ethical" issues, such as drug trafficking and money laundering, had on traditional diplomacy? Have they, for example, had an impact on the inter-American principle of nonintervention?

[Arias] This is a very broad point on which I have seen contradictory situations arise. On one hand we have the concept of the sovereignty of the state, which arises in political science at the same time that the nation-state concept is diluted by topics that go beyond simple physical and political borders. The obvious points are the environmental ones: what one country does not only affects a group of countries but can affect the entire world.

On the other hand we have international crimes, which were previously the forgery of currency and postal stamps, that affect citizens in other countries. The obvious cases are drugs and drug trafficking.

This type of issue, together, perhaps, with the commercial integration and economic opening process itself, have watered down, if you care to state it this way, the traditional, political borders. It is said, and I believe with due reason, that drug traffickers do not respect borders. Thus, the struggle against drug trafficking cannot be limited to borders. We have to find multilateral cooperation mechanisms that will make this struggle effective.

However, at the same time that sovereignty becomes blurred, we see that nation-states continue to arise in a violent manner. In a world that is apparently moving toward globalization, we are returning quite strongly to the traditional nation-state concept.

I must take advantage of this occasion to say that, despite the considerable development of democratic processes worldwide, particularly in our hemisphere, political parties are losing prestige instead of gaining influence and prestige. These are contradictions for which I have no solutions. I simply observe them.

[Raymont] In your opinion, what are the most outstanding changes in relations between the United States and

Panama since the time your father was ambassador in Washington?

[Arias] Some things have changed, because the world has changed. At that time (the 1950's) the problem of drug trafficking did not exist; it was not a topic of discussion. Regional economic integration was not a topic of conversation either.

The Canal has been, then as well as now, an important topic. My father came here just after the approval of the Remon-Eisenhower Treaty and the application of that treaty gave rise to serious conflicts between Panama and the United States. For example, the United States was obligated to purchase in Panama, and the United States interpreted the agreement one way and Panama another. In sum, there are new topics and topics that remain the same.

[Raymont] How about personal relations? I remembered that your father discussed problems while playing golf with President Eisenhower at the Burning Tree Club.

[Arias] What happened there was a very unique situation. At that time, the Burning Tree was a political club. It was a place where meetings were held, especially with congressmen. It happened that at that time in Washington a social club turned into a center of political meetings. Belonging to the Burning Tree made those ties easier.

Today in Washington, that phenomenon does not exist. The Burning Tree is no longer a political club. The current situation is much more diffused. Relations are still taking place at a very personal level, but that was a very unique phenomenon of one era. Relations are much broader, since they include civic and social groups, although the major focus remains at the political level of the government. At that time, it seemed the embassy was much more formal, that the whole diplomatic process was much more formal.

[Raymont] How do you view the Clinton administration's hemispheric policy and what future do you see for the OAS?

[Arias] President Clinton's hemispheric policy is a little diffused, and somewhat of a bilateral policy with each country rather than a regional policy. I think that, on this measure, or precisely on account of it, one hears constant complaints of a lack of regional policy on the part of the U.S. Government. I think this kind of relationship runs counter to the war on drug trafficking. That is important.

[Raymont] Isn't it also going counter to economic integration?

[Arias] The problem is that integration is a little different, because integration is part of a hemispheric policy. You cannot have integration through bilateral relations, but you can wage the war on drugs through bilateral relations.

I think there is no development of a hemispheric policy that may have economic integration at the center, although it is clear that it must have other factors. One of those factors obviously must be, and I think it will be, the hemispheric or multilateral war on drug trafficking.

[Raymont] Does it sound like (retired General Barry) McCaffrey has been speaking in those terms since Clinton appointed him as "drug czar?"

[Arias] It is not surprising to hear McCaffrey speaking in those terms. He came from the U.S. Southern Command, where he viewed U.S. policy and his responsibility more as a hemispheric mission than as a bilateral one. I believe we should move toward that.

What about the OAS? I believe the OAS will either have to change or disappear. It must adjust to the circumstances of the times or face losing its dominance.

With the significant reduction of political conflicts in the region, the OAS, whose mechanism was aimed at resolving political and border conflicts, must adjust to new realities, follow newer trends, and help to improve hemispheric relations.

I am confident that the OAS will do just that. I believe it is taking steps in that direction. It is not easy to change an organization of that nature, and many people become frustrated when they see that changes do not come as quickly as they would like. But I believe that the OAS is taking the necessary measures in order to become a major influence over hemispheric affairs in the years ahead. But, and I repeat, the OAS will disappear if it does not change.

[Raymont] What is the current status of the consultations, which Presidents Bill Clinton and Ernesto Perez Balladares announced last year, on the possibility of negotiating in the event that the two countries find it convenient to maintain a limited U.S. presence in the former Canal Zone?

[Arias] The Panamanian Government understands that it is convenient and necessary to make a broad effort to round up the opinions of most Panamanians and leaders from various sectors of our society in order to see how they feel about the possibility of extending the presence of U.S. bases beyond the year 2000.

The object is not to obtain the support of these groups, nor is it necessarily to agree. Agreement on this issue is very difficult. The goal is for the government to obtain the necessary feedback before making a decision as it faces the possibility of starting negotiations with the United States.

Panama: Colombian Guerrilla Forces Linked to Nation

PA1907143496 Panama City EL PANAMA AMERICA in Spanish 14 Jul 96 p 1A

[Report by Jose Montano]

[FBIS Translated Text] According to a rebel document seized by the Army and obtained by the "24 Hours" Colombian television news service, the Victoriano Lorenzo guerrilla organization is the principal Panamanian connection providing narco terrorist supplies and financing to Colombian guerrilla forces.

According to information revealed yesterday to EL PANAMA AMERICA from Santa Fe de Bogota, the recently seized document confirms that "the first transaction carried out by the Victoriano Lorenzo Front was to offer the Colombian guerrillas 100 RPG-7 rocket launchers, 600 grenades, and 25 RPG-18." According to Colombian guerrilla forces information dated June 1992, transactions have continued for the last six years and involve, in practice, a common front that operates in Darien Province.

Colombian reporter Marta Rojas told EL PANAMA AMERICA yesterday that "she was afraid," shortly before she confirmed that on Monday the "24 Hours" television newscast would reveal the names of the institutions and the countries, including Panama, that are financially, logistically, and ideologically, supporting the Army of National Liberation [ELN] and the Revolutionary Armed Forces of Colombia [FARC].

Argentina

Argentina: Barra Replacement, Cabinet Balance Viewed

96SM0444A Buenos Aires CLARIN in Spanish 14 Jul 96

[Commentary by Eduardo van der Kooy: "Menem Stands Fast" — received via Internet]

[FBIS Translated Text] The president is not going to let the recent defeat in the capital, combined with something of an opposition comeback, force him into making major political concessions.

For the time being, there has been no reaction from the administration that would suggest it wants to accommodate the most recent message from voters in Buenos Aires, who seemed to call for a change in attitudes and policies, among other things.

The visible increase in administration fears about the persistent economic and social crisis has not prevented Carlos Menem from putting his own strategy in order: he validated the 1999 struggle between Ramon Ortega and Eduardo Duhalde in order to prevent further bloodletting in Peronism (such as Gustavo Beliz caused) and in so doing to shore up his own power.

He said no to reelection at that moment because he had no choice, but no one in the political community believes that such a project could not be revived as soon as a ray of optimism shines through.

Nor should another tree stop us from seeing the forest. The quickness with which the president took care of Rodolfo Barra's resignation did not have that much to do with dissatisfaction here at home prompted by the former minister's revelations, much less with the idea of starting to discontinue the suspected cozy relationship between the administration and the judiciary.

Menem made the decision only after confirming that the condemnation of Barra's past pro-Nazi affiliation had gone international and threatened his trip this week to the United States and his meeting with Bill Clinton. There is more than one piece of evidence. On Tuesday the second, during his birthday party at Olivos, Jorge Rodriguez, Carlos Corach, and Eduardo Bauza warned him of the potential danger to the government posed by the charges against Barra. Menem ignored them. To some small extent because he thought that the episode was just another dirty trick in the internal struggle, and to another extent because he thought he saw behind this move a broader offensive by the group, whose real target seemed to be Cavallo. It was not until Monday, when Corach told him that world Jewish organizations were upset, that the president made up his mind to cut his losses. He had to be softened up before putting Barra in orbit.

On Monday afternoon the cheerful former minister met for two hours with an advertising agency in a bid to undo the damage that the charges had caused to his image.

On Tuesday he heard some pointed comments by Corach about the responsive chord that the charges against him had struck in the Jewish community.

On Wednesday, after the luncheon, Barra was at a work session with Nicolas Becerra and Hugo Rodriguez Sanudo when he got a call from Jorge Rodriguez. His expression changed as he let an unmistakable message slip out: "You will have to continue this meeting with another minister," he told his guests before leaving.

The former minister did not hesitate, just as he did not when in 1994 Bauza asked him to step down as a member of the Supreme Court in order to create a vacancy agreed on in the Olivos pact. This time Barra took his resignation directly to the president.

Menem was careful, faced with the inevitable, to remain faithful to his current political premises. He chose a natural succession in the Justice Ministry by appointing Elias Jassan, which enabled him to avoid bringing an outsider into the cabinet. He repeated the procedure that he had once used to replace Rodriguez with Susana Decibe. He also managed to preserve the political balance (even in advance). He cast aside a Cavallo foe but in his stead appointed another official who thinks that the convertibility plan has run its course and who criticizes the minister for applying an orthodox adjustment policy to address the social crisis.

Jassan felt that he was clearly in the right when he learned the details of a run-in between Cavallo and the secretary of public office, Claudia Bello, during the Thursday cabinet meeting.

The minister announced the suspension of a law that provided for an increase in the pensions of Malvinas veterans (it would cost 24 million pesos). Bello became angry and argued that the source of the funding had been agreed upon with Finance Secretary Ricardo Gutierrez. Cavallo called her a liar, and Bello shot back with this cutting remark: "It is easy to be economy minister that way." Menem put an end to the skirmish by siding with the economy minister. Rodriguez eased the blow, giving assurances that the 24 million would be included in the 1997 budget.

None of these incidents, however, would explain the real reason why Menem replaced Barra with Jassan:

he wanted, above all, to preserve the ties between the administration and the judiciary.

The achievement of this goal overshadowed several other things. One is that suddenly the main components of Argentina's justice system have the same look, with Julio Nazareno, a former partner of Eduardo Menem, as chief justice of the Supreme Court; Angel Agcuero Iturbe, a friend of the president, as the nation's attorney general, and Jassan, from the Menem inner circle, as justice minister. What is more, another group of hopefuls has finally been left behind. There was some thought of bringing back Mariano Cavagna Martinez, our current ambassador to Rome. The name of Hugo Anzorreguy was also in the air, but Menem wants to keep him permanently in SIDE [Secretariat for State Intelligence].

By putting Jassan in the Justice Ministry, Menem sought to keep the channels of communication open between the judiciary and the administration, whose usual spokesman is Corach. They are very much on the same wavelength, which was not the case with Barra, who used to make impulsive moves (like the death penalty bills) that handcuffed the administration and that Jassan often preferred not to support.

The rift widened just minutes after Barra resigned. Before leaving, he extended for one year the contracts of all his advisers, including the former chief of the Prison Service and former defense attorney of General Roberto Viola, Andres Marutian. Jassan was greeted with this surprise, which he did not hesitate to undo. Everyone obeyed, except Marutian, who put up a fight until the brand new minister threatened to turn him over to the police.

Although the administration has not changed its guiding principles, the following seems obvious: Menem supports Cavallo more than anyone else on economic policy but is gradually paring back his radius of action.

The growing political importance of Corach is a clear-cut sign in this regard. The interior minister has expanded his role in the administration since the departure of Bauza and has gained influence in other areas. He completely undermined Oscar Camilion (he even took Civil Defense away) and brought the Security Secretariat, which Brigadier Andres Antonietti is in charge of and which Cavallo had sought, into his sphere.

Things could get even worse for the economy minister. When Camilion leaves his post (over the scandal of the arms sale to Ecuador), Jorge Dominguez or Cavagna Martinez could replace him.

Cavallo does not get along with either. Relations with the current mayor were severed after the electoral defeat, because Dominguez was upset by the minister's performance toward the close of the campaign when he resurrected the problems of corruption and spoke openly about the 17.1 percent jobless rate.

Jassan made a very cautious debut in an attempt to defuse his silent confrontation with Cavallo (he almost supported him in the debate he had with Barra over payments arising from the suits that the government had lost), but he knows well that a fire always leaves ashes.

Cavallo had expressly asked Barra for Jassan's resignation when the two met three weeks ago to seek a solution to the problem of the government suits.

But attending to his conflicts with Cavallo will not be a priority now for the justice minister designate. For one thing, he and the Radicals have to work on the Council of the Magistrature, which is going neither forward not backward. And he may also have to become involved in the Supreme Court, where the Menem people think they have heard some alarm bells.

The possibility of a change in the court has resurfaced, one by the name of Antonio Boggiano according to official word. Some of his latest rulings presumably show too much independence from the administration.

This is not all. Boggiano seems to have cultivated a stormy relationship with Adolfo Vazquez, the man whom the administration went all out to put on the court, whose public political affiliation Boggiano has never accepted, and who he says is behaving in ways that are tarnishing the court's image. The Menem people are again tempting Boggiano with offers to leave the court and the country, but none has been successful.

The Foreign Ministry was put in charge of looking into the matter. It got wind of a vacancy on the International Court of Justice at The Hague, but the court does not seem at all enthusiastic about an Argentine nominee.

Consideration was again given to the option of nominating him for the UN international court that is trying war crimes committed in Yugoslavia. There will not be an opening there until late next year, but the reelection of the woman delegate from Costa Rica, a country with a very long human-rights tradition, is considered a sure thing.

The times have changed. After the Olivos pact, Boggiano was heavily pressured by the Radicals to create the third vacancy on the court (besides Barra and Cavagna Martinez) that Menem and Raul Alfonsin had agreed on. The administration, however, protected him.

Now it would seem that the Menem people are interested in getting rid of him, whereas the Radicals are battling to keep the status quo. They say that Boggiano at times shares the views of Gustavo Bossert, the attorney who wound up on the court thanks to pressure from the opposition.

There is an explanation for all these comings and goings. The administration thinks that it can see two well defined groups on the court: on the one hand, Nazareno, Guillermo Lopez, Enrique Moline, and Vazquez, who are inclined not to disappoint the administration, and, on the other, Augusto Belluscio, Enrique Petracchi, Bossert, and Carlos Fayt, who would like to change the judiciary's public image.

Given this 50-50 split, Boggiano has reportedly become the swing vote for or against the administration.

The present does not matter as much as the future. The Menem camp is very worried that the decision about a possible third term for Menem may have to be made against a backdrop that does not offer ironclad assurances. Hence the unceasing efforts to remove Boggiano.

The dream of a third term remains alive and explains (also in part) the president's decision to replace Barra with Jassan.

This forced switch should not, it is clear, cause any shocks for Menem in connection with the administration's policy toward the judiciary.

Argentina: Cavallo Admits Foreign Debt Increase

PY1907193596 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1547 GMT 19 Jul 96

[FBIS Translated Text] Buenos Aires, 18 Jul (NA) — Economy Minister Domingo Cavallo admitted today that the foreign debt has increased since the implementation of the Convertibility Program. Nevertheless, he emphasized: "This indicates the growing confidence of foreign investors in our country."

The economy minister argued that, through the foreign debt increase, "substantial investments have been made in infrastructure, and retirees have been able to redeem their BOCON's [funding bonds] in pesos to meet their needs."

Cavallo emphasized that the government public debt has fallen since the inauguration of President Carlos Menem's administration "due to the fiscal policy and the state's transformation, which have increased our country's solvency."

The economy minister made these remarks after participating in a ceremony at the Stock Exchange, involving the presentation of a private report. The report notes that the public sector debt fell 3.9 percent between December 1989 and December 1995.

Argentina: Cavallo on Reasons for Foreign Debt Increase

PY2007031096 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1843 GMT 19 Jul 96

[FBIS Translated Text] Buenos Aires, 19 Jul (NA) — Economy Minister Domingo Cavallo said today that the foreign debt increased because investors showed "growing confidence" in Argentina. He added that the public debt has dropped since 1989.

Cavallo said the 57-percent increase in the foreign debt during the Convertibility Plan gave a chance for pensioners "to redeem their Bocons [Funding Bonds] in pesos to meet their needs."

The minister said that "thanks to the large amounts of capital that entered the country during the last few years it was possible to invest in highways, railroads, ports, and communication systems, which helped to the modernization of our commerce, industry, and rural areas."

Cavallo pointed out that the government's public debt dropped after the inauguration of the Carlos Menem administration thanks "to the fiscal policy and state's transformation, which have increased our country's solvency."

The minister said that during the Menem administration our public debt "dropped by a figure between $3.5 billion and $21 billion" depending on which figure we consider: the total debt or the net debt circulating in the private sector.

Cavallo explained that the government must collect taxes to finance the public debt and that the foreign debt includes state and private sector debts in the hands of foreign residents.

"The foreign debt increased because large amounts of capital entered the country, but this fact reflects foreign investors' confidence in the country," the economy minister said.

Cavallo made these remarks after participating in the presentation of a study on the country's public indebtedness between December 1989 and December 1995. The study was produced by Economists Carlos Melconian and Rodolfo Santangelo.

The ceremony took place at the Stock Exchange. Participating in it were Stock Exchange Chairman Julio Macchi, Economic Programming Secretary Juan Llach, Finance Secretary Ricardo Gutierrez, Budget

Under Secretary Marcos Makon, and Macroeconomic Programming Under Secretary Dario Braun.

Also present were National Securities Commission President Guillermo Hartenock, AFJP [Pension and Retirement Fund Managing Company] Superintendent Walter Schulthess, and economists Juan Alemann and Javier Gonzalez, among others.

The study produced by Melconian and Santangelo shows that the gross public debt stood at $96.472 billion at the end of December 1989 and dropped to $92.707 billion by December 1995, that is, a reduction of $3.765 billion during the period.

If the measurement is made based on the real foreign exchange rate of last year the gross public debt drops by $11.754 billion (or 11.3 percent) during the same period.

The study also established that the net public debt circulating in the private sector dropped by $13.587 billion, but if the calculation is made in 1995 constant dollars the net public debt dropped by $21.535 billion.

Comparing these figures with the GDP shows that Argentina's public debt went from 47.1 percent of the GDP in 1989 to 32.4 percent of the GDP in 1995, always based on constant dollar values. The reduction, however, falls from 125.8 percent of the GDP to 32.4 percent of the GDP if we take into account the real foreign exchange rate of the period.

The study indicates that the total gross debt compared to the export of goods dropped from 1,007.1 percent of our total exports to 443.7 percent during this administration.

Argentina: JP Senators Support Economic Measures

PY1907141396 Buenos Aires TELAM in Spanish 2125 GMT 18 Jul 96

[FBIS Translated Excerpt] Buenos Aires, 18 Jul [TELAM] — The Justicialist Party National Council today gave its "absolute support" to the latest economic measures and committed itself to elaborate new economic and social proposals.

"Without better alternatives to the measures proposed by the government we cannot do anything but support the decision convinced that President Carlos Menem will lead us out of this difficulty as he has done in the past," Governor Eduardo Duhalde said at the end of the meeting.

Duhalde added: "Our party believes that in difficult times we must be closest to our government because right now, and for another three and one-half years, the solution will be in the hands of President Menem's government, or there will no solution."

Senator Eduardo Bauza, who shared the news conference with Duhalde at the party headquarters, in turn, said that "the bloc of Justicialist senators is absolutely supportive of the president," adding that "there is no other viable solution" than the decision that has been adopted. [passage omitted]

"We will give our absolute support to the president in his efforts to maintain this stability that we consider as the starting point for an Argentina that is already producing more," Duhalde said.

The governor said that "the last FIEL report [Latin American Economic Research Foundation] has indicated that industrial production is growing at a rate of more than 5 percent."

"What happens is that this problem is happening at a time we are having certain difficulties and when the fiscal deficit threatens Argentina's trustworthiness and the country still needs the support of international organizations," Duhalde argued. [passage omitted]

Argentina: Assembly To Draw Up Buenos Aires Statute

PY1907141796 Buenos Aires TELAM in Spanish 2201 GMT 18 Jul 96

[FBIS Translated Excerpt] Buenos Aires, 18 Jul (TELAM) — On 19 July, Interior Minister Carlos Corach will chair the historic opening ceremony of the constituent assembly that will draw up the statute of the city of Buenos Aires. The constituent assembly will also review the legal framework that has already been established for the Buenos Aires autonomy.

The 60 constituent assembly members will comply with the constituent assembly's inauguration formalities. They will review some resolutions to facilitate the inauguration of the Buenos Aires administration, following the 30 June elections.

Minister Corach will chair the inauguration ceremony that will be held at 1100 in the A-B Hall of the General San Martin Cultural Center at 1551 Sarmiento Street in Buenos Aires. Buenos Aires Mayor-elect Fernando de la Rua and his running mate, Enrique Olivera, will participate in the ceremony. [passage omitted]

Bolivia

Bolivia: Poll Shows Dissatisfaction With Economic Policy

PY2007035296 La Paz PRESENCIA in Spanish 13 Jul 96 p 12

[FBIS Translated Text] A poll by the Bolivian Catholic University has assigned a failing grade to the government officials in charge of the economy. From those polled, the most drastic were the people from La Paz and El Alto, where 59 and 54 percent — respectively — of those polled, said that economic affairs are being handled more poorly than they were in the previous administration. In Cochabamba and Santa Cruz, this opinion was shared by 39 and 44 percent of those polled, respectively.

In La Paz and El Alto, 11 percent of those polled said that management of the economy has improved with respect to the previous government. This opinion was shared by 17 and 19 percent of those polled in Cochabamba and El Alto, respectively.

The Most Negative Reform: The Capitalization Reform

It should be noted that among the reforms under implementation by the current government, the capitalization reform has been most widely rejected, while the people's participation and educational reforms were supported by the largest number of people.

In La Paz and Santa Cruz, 47 percent of those polled said the capitalization reform was the most negative one, while in Cochabamba and El Alto, this opinion was shared by 42 and 34 percent, respectively.

When shown an 11-topic list, 34 percent of those polled in La Paz and Cochabamba, and 32 percent of those polled in Santa Cruz chose the capitalization reform as the government's most serious mistake.

It should be noted that rejection of the capitalization reform was lower in El Alto, where only 21 percent of those polled criticized this reform.

Bolivia: President, Chilean Minister Review Ties

PY2007002896 La Paz PRESENCIA in Spanish 15 Jul 96 p 6

[FBIS Translated Excerpt] President Gonzalo Sanchez de Lozada yesterday raised the possibility of Bolivia restoring diplomatic relations with Chile, pointing out the existence of good prospects for implementing an opening policy with Chile.

After dedicating the highway linking Patacamaya with Tambo Quemado, the president reviewed the issue involving diplomatic relations with Chile. In this regard, he answered questions posed by Chilean and Bolivian journalists.

Asked about the possibility of restoring diplomatic relations with Chile, the Bolivian president pointed out: "It could be, it could be, but, as I say, gradually." [passage omitted]

During his speech to dedicate the new Cotapata-Tambo Quemado highway that will link La Paz with Arica, the president asked Chilean Public Works Minister Ricardo Lagos to match the Bolivian integration efforts.

The Chilean minister and the Bolivian president held a one-half-hour meeting in Patacamaya to discuss issues involving integration and bioceanic corridors. [passage omitted]

Bolivia: News Summary for 17 Jul

96CA0250A (Internet) Bolivian Social Communications Ministry WWW in Spanish 17 Jul 96 Morning Edition

[From the Computer Services Network of the Bolivian Social Communications Ministry http://utama.bolnet.bo:80/mcs/matind.htm]

[FBIS Translated Excerpt] [passage omitted]

Front Page News Briefs

Campaign Financing Reform Discussed

The idea behind the campaign financing reform proposal is to put an end to the buying and selling of favors. The politicians are seeking partial state financing and in return are offering transparency and control of the total of their resources. The Electoral Court supports this proposal, but one member calls it "indirect financing"; the parties would not receive money, but their advertising would be paid for. [passage omitted]

Political News [passage omitted]

Opposition Leaders Oppose Financing Reform

The National Electoral Court's proposal to prohibit political parties from accepting contributions from either domestic or foreign companies to finance election campaigns was criticized yesterday by the leaders of ADN [Nationalist Democratic Action], Hugo Banzer Suarez, and of the MIR [Movement of the Revolutionary Left], Jaime Paz Zamora.

"I assume that the Court will give us the money to conduct political campaigns, because along with a restriction, they should offer a solution," said Banzer, pointing out that everywhere in the world money is needed for politics. Jaime Paz Zamora proposed that the CNE [National Electoral Court] also legislate equal access to the media by the political parties. [passage omitted]

Economic News [passage omitted]

Airports To Be Privatized

A representative of the consulting firm handling the privatization of Bolivia's airports explained that the bids will be accepted on 2 August, and it will take two months to evaluate them before announcing the final winner.

Canadian, U.S., French, Italian, and Spanish companies have expressed an interest in operating the Bolivian airports, said Toso, noting that Bolivia is probably the first country in the world to be placing its major airports in private hands. [passage omitted]

Brazil

Brazil: Sarney Says U.S. Cannot 'Morally Execute' Samper

PY1907142396 Rio de Janeiro O GLOBO in Portuguese 18 Jul 96 p 7

[Article by Senate President Jose Sarney: "Latin America: The New Satellite Countries"]

[FBIS Translated Text] Few Brazilians admire the United States as much as I do. My admiration does not stem from chance, but from the knowledge I have acquired through long years of study of American history. I have read a great deal about the U.S. institutions. Over the years, I have made an effort to keep myself up to date on this subject. I submerged myself into U.S. literature, I read U.S. poets and novelists, and studied American history.

This is why I believe I have the required authority to state that the growing U.S. trend of acting as the world's police negates all that the American people have built. This trend is only designed to defend selfish U.S. material interests, thus breaking away with a tradition of building democratic ideals and of respecting human rights. Anyone reading about the life and ideas of Jefferson, about Lincoln's goals, about Benjamin Franklin's ideals, and about Washington's integrity cannot stand satisfied with the mediocrity of the issues upheld today in the U.S. foreign policy.

An assortment of sanctions, coercion, punishments, and threats causes the great American nation to be accused of negating everything it stands for. The United States has passed a package of domestic laws and decided to unilaterally enforce them, convinced that the use of force must prevail in international relations. During the Cold War, the world was divided into two blocs and the United States used to resort to force to deter the other side.

Now, the United States is using force to coerce everyone, its former allies and former foes alike.

We have now witnessed an incomprehensible new diplomatic procedure of using an entry visa as an instrument to pass political judgment on a foreign head of state. I am referring to the case of Colombia's Samper. International relations must be based on noninterference in the domestic affairs of other countries and in each people's right to self-determination. When President Kennedy was assassinated and Lee Harvey Oswald was arrested, I remember that a delegation of attorneys representing citizen rights groups immediately appeared before the police. What did they say? That although that man assassinated the president of the United States, he was entitled to a fair trial, to an unrestricted defense.

It has become part of the American way of thinking, of the rights of men, that no one can be denied the right to defense. Well, the United States has just condemned the president of another country by using a bureaucratic instrument to bring shame upon that country, that nation, that man. I am not saying that Samper is guilty or innocent. What I am trying to say is that the U.S. Government cannot judge him, that it does not have the right to morally execute him in the eyes of the international community.

What are the Latin American countries doing? What have they done? A fearful, shameful silence has prevailed. These are not appropriate methods for international coexistence. The United States applies sanctions, uses its trade laws to force other countries to follow trade practices that it alone considers to be correct. The United States forces other countries to pass laws that would conform to U.S. laws. The United States applies sanctions and imposes quotas as punishment on those countries accused of engaging in unfair trade. It is now starting a new type of punishment; that is, the cancellation of entry visas to the United States, not as an instrument of national security or immigration policy, but as a unilateral political judgment which grants no right to defense, and which takes the form of an imperial order. Where is the inter- American system? Where is the OAS? We should abolish all these organizations and eliminate every mechanism of coexistence among peoples. The law of the strong is stronger than human rights. Samper could be the most despicable president, the most corrupt, the most vulnerable, or the most indecent. Yet he has the right to a fair trial in his own country, with an unrestricted defense, and not be put before a firing squad by the government of another country, through a special court, in a summary, inhuman trial in which neither the rules of evidence nor procedures are recognized.

If things continue this way, the Americas will become, following the mold of the now defunct East Europe, a U.S. satellite area. According to the U.S. "founding fathers," that great country has taken upon itself to sow freedom, to defend human rights, to strengthen democracy worldwide, and thus it could not create a new iron curtain where the law would be subordinated to absolute power. I consider the visa incident as an extremely grave one. It is an offense that cannot be justified under international law. It is both an act of condemnation and a threat. It does not entail a simple diplomatic visa, but rather it is the use of a simple diplomatic visa by the only, undisputable, leading, and dominating world's power.

Is Brazil going to remain silent? Does Brazil also agree to become a U.S. satellite? We have impeached a president in this country. We tried him. The United States has granted a resident visa to that impeached president [Fernando Collor]. Colombia has acquitted its president. It may have been a wrong decision, but it would be incumbent upon the Colombian courts to correct it. It should not have been corrected by the U.S. President.

The Colombian cause is not a noble one, but it cannot be used as a pretext to engage in practices that violate every rule in international relations. The drug trade must be fought with every means, but no one can be convicted without being given the chance to defend himself in a court a law.

There is still time for the United States to revise its decision and to adopt other sanctions against Colombia. It should remove this threat against the inter-American system that is causing us to revisit a sentiment that had disappeared from the continent; that is, that of the old, boisterous, arrogant, interventionist Uncle Sam.

Latin American countries should mobilize to tell the Americans that this behavior is not correct, and Brazil cannot remain silent and intimidated. Brazil cannot just bow its head and be afraid of acting as an equal partner. It cannot be afraid of establishing mature relations.

Although Samper may be banned from visiting the Statue of Liberty, this will not prevent us from seeing that human rights are no longer respected in the homeland of Roosevelt, Kennedy, and Whitman.

Brazil: Florianopolis To Host FTAA Preparatory Meeting

PY1907153196 Sao Paulo GAZETA MERCANTIL in Portuguese 17 Jul 96 p A6

[Article by Maria Helena Tachinardi]

[FBIS Translated Text] Brasilia — Acting Foreign Minister Sebastiao do Rego Barros on 16 July said that hemispheric integration will come true through the strengthening of Mercosur [Common Market of the South] and its negotiations with the South American countries. He announced that Florianopolis, the capital of Santa Catarina State, will host the first preparatory meeting of the third FTAA [Free Trade Area of the Americas] ministerial meeting that will take place on 16 and 17 September.

"It will be a historic event," said Santa Catarina Governor Paulo Afonso Vieira. The meeting will be attended by the vice ministers responsible for the trade area and 200 representatives from 34 countries of the continent. The meeting will take place in the convention center of the Santa Catarina Industrial Federation (Fiesc).

Do Rego Barros said that the principle defended by Brazil — which is that the hemispheric free trade area should be built based on "construction blocs" — "is the only way to make the future FTAA compatible with the valuable accomplishments we have been accumulating in Latin America since 1960."

The negotiations for the merging of the construction blocs — Mercosur, NAFTA (made up of the United States, Mexico, and Canada), the Central American and the Caribbean Common Market — should conclude by 2005, when tariff reductions will begin to be implemented.

The acting foreign minister reasserted that "the future creation of the FTAA will not affect the pace of implementation or improvement of the already mentioned mechanisms in force to strengthen integration in our region." Do Rego Barros said that the FTAA should be regarded as a "complementary stage of this already mature process of integration in Latin American.

In turn, Ambassador Jose Botafogo Goncalves, Itamaraty Foreign Trade and Integration under secretary, reported that Florianopolis was chosen not only for logistic matters, but because Santa Catarina State "is pioneer in the idea of economic internationalization, which will help a lot in the substantive part of the meeting." Besides this, he added, the Brazilian Government wants "a strong participation by the private sector in the negotiations with the FTAA," and Santa Catarina concentrates many small medium-sized companies.

Beside the preparatory meeting in Florianopolis, two more preparatory meetings will be held before the third FTAA ministerial meeting takes place in Belo Horizonte in May 1997 [as published]. The second meeting has yet not been defined, but the third one should take place at the beginning of 1997 in Belo Horizonte.

The preparation of the agenda for the Santa Catarina meeting will depend on the results of the meeting of the presidents of the 11 NAFTA working groups that will take place on 31 July and 1 August in Washington. However, according to Botafogo, there are two controversial subjects: the reduction of import tariffs and the definition of the pace of negotiations.

"First it is necessary to study the trade interests of the 34 countries and of the main blocs, Mercosur and NAFTA, because without them there will be no FTAA," he said.

Brazil: Senate Approves Cellular Telephone Bill

PY2007002596 Sao Paulo AGENCIA ESTADO in Portuguese 1730 GMT 18 Jul 96

[FBIS Translated Text] Brasilia, 18 Jul (AE) — The Senate today approved by 54 votes to 7 — and without any abstentions — the draft bill that regulates the opening to private capital of cellular telephone services, via satellite communications, data transmission and value added services. The bill will probably be promulgated by President Fernando Henrique Cardoso tomorrow during a ceremony at Planalto Palace. Following this approval, Communications Minister Sergio Motta will next month publish the first bid calls for the exploitation of cellular telephone services by private companies in determined areas. The country will be divided into nine areas that will be opened to bids for the cellular phone services.

[Sao Paulo AGENCIA ESTADO in Portuguese at 1731 GMT on 18 July adds that the bill approved by the Senate "enables private companies to exploit cellular (B-band) telephone services, via satellite telecommunications, and public telecommunication networks to render value added services. The participation of foreign capital will be limited to 49 percent during the first three years of the law. The law authorizes Brazilian Telecommunications, Telebras, to restructure the public companies that exploit cellular telephone services through the creation of subsidiaries or companies engaged in partnership with private companies to exploit the mentioned services. These companies will not follow the current regional division in which each state owns a telecommunications company. The objective of the communications minister is to divide the country into nine areas, each of which will be served by two companies: a private one, under the rules of the new law approved today; and another that will initially be a public company and a subsidiary of Telebras, but which will be privatized after 1988 so it can compete with private companies."]

Brazil: Cellular Phone Industry Opened To Private Sector

PY2007025396 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 19 Jul 96

[FBIS Translated Excerpt] The federal administration has opened the cellular telephone system to the private sector, but will continue dictating the rules through a regulatory organization. President Fernando Henrique Cardoso today approved the law for the cellular telephone system.

Thus far, only state-owned companies can exploit the cellular telephone system, but these have no money to invest to improve the service, or to increase the number of lines available to consumers. Therefore, the federal administration has decided to open the market to private enterprises. [passage omitted]

Through the new law, the administration allows the cellular telephone system to be exploited by private enterprises, but does not give up the right to continue regulating the sector, and to establish rights and duties for the enterprises. In order to choose the enterprises that will receive concessions, the administration will take into consideration a series of criteria, including the quality of the service to be rendered to the consumer and the price of the services.

[Begin Communications Minister Sergio Motta recording] Today is a historic day. Although this term has been overused, this day is indeed historic because it marks — definitively and irreversibly — the president of the Republic's commitment to a thorough opening of the telecommunications market in Brazil, as well as of other services, to private capital. [end recording]

Brazil: Parties Coordinate Efforts for Cabinet Reshuffle

PY1907174796 Rio de Janeiro JORNAL DO BRASIL in Portuguese 18 Jul 96 p 5

[Article by Ilimar Franco]

[FBIS Translated Text] Brasilia — The Liberal Front Party [PFL] and the Brazilian Democratic Movement Party [PMDB], which are the main allies of the Fernando Henrique Cardoso administration, have already started to coordinate their efforts for the cabinet reshuffle that will take place after the October elections. On the night of 16 July, during a dinner honoring Political Coordination Minister Luis Carlos Santos, which was hosted by Chamber of Deputies President Luis Eduardo Magalhaes (PFL-BA) [PFL-Bahia], the cabinet reshuffle was the predominant topic in all conversations. The coordination efforts seek to open space for Luis Eduardo Magalhaes' inclusion in the cabinet, as well as for a great accord to elect Deputy Michel Temer (PMDB-SP) [PMDB-Sao Paulo] to the presidency of the Chamber of Deputies..

At the table where Luis Eduardo Magalhaes, Luis Carlos Santos, and Michel Temer were sitting, Justice Minister Nelson Jobim's departure from the ministry in order to occupy a position at the Federal Supreme Court [STF] was excitedly discussed. With Justice Francisco Rezek's admittance into The Hague court, his position at the STF will be left empty. The group agreed about how convenient it would be for Magalhaes to occupy the Justice Ministry, which would assume the role of the administration's political coordinator.

The Political Coordination Ministry in this case would be dismantled and Luis Carlos Santos might be transferred to the Ministry of Transportation or the Industry, Commerce, and Tourism Ministry. Senate President Jose Sarney (PMDB-AP) [PMDB-Amapa], who is an ally of Luis Carlos Santos, has already started opening space for that by criticizing Transport Minister Odacir Klein's performance. The other possibility that has been analyzed refers to Dornelles' permanence in the administration, depending on the position of the Brazilian Progressive Party [PPB] after the municipal elections. If Maluf wins the elections, he will make the PPB break with the administration, thus weakening Dornelles' position. If he loses, the PPB is expected to lose political importance and Dornelles' presence in the administration would thus lack substance.

The main PFL and PMDB leaders believe that they will have a greater political presence in the administration because President Cardoso will need more and more allies in order to approve the reelection amendment. They are counting on that to also include the Brazilian Social Democracy Party [PSDB] in the coordination efforts. The PSDB members oppose any understanding involving Minister Luis Carlos Santos due to the current dispute for political space in Sao Paulo. The dinner at Luis Eduardo Magalhaes' home was organized to begin approaching the various allies. Deputy Benito Gama (PFL-BA), government leader in the Chamber of Deputies, asked that this dinner be held to pave the way for an approach between Luis Carlos Santos and the PSDB members.

The PMDB and PFL movements are being accompanied by the PSDB board. The PSDB leadership wants to expand the party spaces in the administration and to this extent, it counts on the PSDB's broad victory in the municipal elections, particularly in Sao Paulo, as a result of Senator and former Minister Jose Serra's candidacy.

Brazil: New Amazon Region Control Project Implemented

PY1907203996 Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Jul 96 Section 1 p 11

[Report by Lucas Figueiredo and William Franca]

[FBIS Translated Text] The government is developing a project, simultaneously with the Sivam [Amazon Region Surveillance System], to monitor smugglers' routes in the Amazon region.

FOLHA has learned that the government is studying the purchase of Canadian-made equipment for airspace control. The equipment may include one radar installation.

The equipment will be used for the Pro-Amazonia project, budgeted at $248.65 million.

The idea is to finance $170.85 million from external sources, covering the remaining $77.8 with budget allocations.

Rivers will be monitored by Federal Police agents and Federal Revenue Secretariat officials headquartered in four counties: Tabatinga (Amazonas), Vilhena (Rondonia), Obidos (Para), and Pacaraima (Roraima).

"We are closing our rivers and we will soon close our air space," Justice Minister Nelson Jobim said on 17 July, on announcing the construction of the Obidos river base.

The minister said the system for "closing" the air space over the Amazon region is "independent of Sivam."

Approved on 23 May by the Senate after a six-month crisis, the Sivam project seeks to monitor the Amazon region through radar and satellites.

Defending the $1.4 billion project, the government contended — among other arguments — that the system will gather data that can be used to check smuggling.

FOLHA has learned that the Federal Police deem Sivam essential for controlling the Amazon region, yet they want to work with their own security system, which will not be directly linked to the military. Sivam will be controlled by the Air Force and by the Strategic Affairs Secretariat.

The Federal Police also reached agreement with fuel suppliers for identification of planes that are supplied with fuel at airports of the region.

The main objective of the Federal Police and the Federal Revenue Secretariat river bases will be to check the smuggling of drugs, lumber, minerals, and cattle.

The Obidos station, which will be operational in August, will be installed on a raft, which will be anchored at the narrowest sector — 1,800 m — of the Amazon River.

The Tabatinga base is already operating. The Vilhena and Pacaraima bases are being built.

Brazil: Roundup of Economic Reports Through 19 Jul

PY2007022996

[FBIS Report] The following is a compilation of reports on economic activities in Brazil monitored through 19 July.

BASIC LEADING INDICATORS

Petrobras Finds New Oil Well — The Brazilian Petroleum Corporation has found a new oil well in the sea, inside the Campos bay, in the northern region of Rio de Janeiro State. Currently, more than 60 percent of the national oil production comes from Campos Bay. Oil was found at a depth of 1,389 meters in the new well. Experts estimate that the well will produce more than 6,300 barrels of oil per day and that the oil field around the well has estimate reserves of 30 to 40 million barrels. Brazilian current oil reserves stand at an estimate 11.2 billion barrels. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Jul 96 p B6)

FINANCIAL OPERATIONS

Japanese Want To Invest in Brazil — A poll conducted during a seminar held in Tokyo by the Nomura Securities company, the second largest broker in the world, and the National Bank for Economic and Social Development, indicates that Japanese entrepreneurs are interested in investing in Brazil. They want to participate in the privatization program, build plants in the country, and establish joint ventures with Brazilian enterprises. The poll reveals that 55 percent of the nearly 150 companies and banks attending the seminar, which were consulted by Nomura, want to invest in Brazil. This number is impressive if it is considered that 34 percent of the companies and banks attending the seminar had never had any type of business in Brazil and 45 percent had but representatives in the country. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Jul 96 p B3)

UBS To Expand Businesses in Brazil — The Union Bank of Switzerland, UBS, is preparing transactions worth more than $2.15 billion for Brazilian enterprises from August to December. Carey Hall, the new UBS managing director, said: "To us, Brazil is the most important Latin American market." The transactions include the first direct eight year bonus for a Brazilian enterprise and a cogeneration financing. (Sao Paulo GAZETA MERCANTIL in Portuguese 18 Jul 96 p A1)

FISCAL, MONETARY ISSUES

First Merger of Investment Banks Reported — The Cindam-Fonte merger, which was negotiated for five weeks, is the first merger between investment banks in the country. As a result, the Fonte Cindam Bank became the sixth largest Brazilian investment bank with a 84 million reals, R, asset; a R1.7 billion financial asset; and a R350 million portfolio of third parties' resources. (Sao Paulo AGENCIA ESTADO in Portuguese 2130 GMT 17 Jul 96)

Bamerindus Capital Reorganization Seen — The solution the Bamerindus group has negotiated with the Central Bank contemplates capital reorganization of three of its enterprises — the Bamerindus Bank, its insurance company, and the Bamerindus Undertakings and Investment. In the opinion of Central Bank experts, this reorganization is merely the first step toward the strengthening of the bank. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Jul 96 p B3)

PRIVATIZATION

CESP, CBA To Build Two Plants — On 17 July, the Sao Paulo State administration established its first partnership with the private sector for the construction of hydroelectric plants. The Sao Paulo Power Company, Inc., CESP, and the Brazilian Aluminum Company, CBA, of the Votorantim Group, have signed a contract to finish the construction of the Canoas 1 and Canoas 2 plants on the Paranapanema River. CBA will invest R170 million in the first and R200 million in the second. In exchange, it will have a 35 year concession on 50.30 percent of the energy produced in the plants. The Sao Paulo administration will sell the remaining 49.70 percent. The Votorantim Group is the largest private consumer of electrical energy in the country: 75 million megawatts/hour per year. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Jul 96 p B8)

Chile

Chile: Insulza Notes Disagreement With U.S. Cuba Policy

PY2007000196 Santiago EL MERCURIO in Spanish 19 Jul 96 p C3

[FBIS Translated Text] Foreign Minister Jose Miguel Insulza stated on 18 July that the policy Chile and other Latin American countries are pursuing vis-a-vis Cuba is clear in that it aspires to have democracy reinstated in the Caribbean island. Insulza nonetheless pointed out that unlike the United States, Latin American countries do not believe that this objective can be achieved by means of a trade embargo on the island.

Furthermore, Insulza declared that Chile and other countries of the region disagree with the United States on the strategy used in the case involving the cancellation of Colombian President Ernesto Samper's U.S. visa. The head of Chilean diplomacy went on to say that given the political significance and symbolism that such decision has, it would be most "desirable" that the Clinton Administration should submit the incriminating evidence it claims it has against the Colombian head of state to the appropriate Colombian and Latin American bodies.

Insulza explained that his criticism of the American tactics does not entail a pronouncement on the substantive issue concerning Samper's possible action in favor of certain drug trafficking rings.

The foreign minister thus challenged interpretations of the position Chile has adopted by joining with the countries of the region in condemning the Helms-Burton Law as well as its dissatisfaction with the U.S. cancellation of Samper's entry visa. In both cases it could be alleged that the stance adopted by Chile may imply that our country supports the Colombian and Cuban heads of state.

The head of the Foreign Ministry made it clear that while disagreeing with the latest U.S. measures, bilateral relations between Chile and the United States are progressing well, adding that in no case does Chile intend to meddle with the right the United States has to enact its own laws or to ban certain persons from entering its territory.

Insulza was of the opinion that the cancellation of Samper's visa is a symbolic measure because, in practice, no president travels to another country unless he is invited. The minister observed that this event is indicative of U.S. "extreme annoyance" with the person who is accused of having favored some drug-runners.

The foreign minister further stated that this is the very reason why "it is desirable that the incriminating evidence should be disclosed to the appropriate Colombian organizations and that Latin American nations learn about the reasons underpinning this measure in greater detail."

Insulza insisted on the fact that in this case, Latin American nations have criticized the procedure, but have not made an official pronouncement on the substance of the issue. "The charges that have been leveled are extremely grave and therefore, we want to be put in the picture about this."

Commenting on the U.S. attitude toward Cuba, the minister made it clear that Chile and other countries of the hemisphere are in favor of the democratization of the Caribbean island. Insulza said: "We want Cuba to have a democratic system of government so that it can rejoin the community of Latin American nations. Now, the blockade and sanctions against Cuba constitute a very different kettle of fish because after 37 years of experience, we know only too well that they lead nowhere. We rather believe that a constructive involvement, i.e. furthering an opening in the Cuban economy and politics so that they can come under foreign influence is much more productive than maintaining a closed economy and society in a walled castle."

Chile: Army Praises Rejection of Military Pact With U.S.

PY1907164996 Santiago LA TERCERA DE LA HORA in Spanish 18 Jul 96 p 9

[FBIS Translated Excerpt] The Army praised Defense Minister Edmundo Perez Yoma's statement that Chile will not sign any military assistance pact with the United States. Perez Yoma made this statement before leaving for Washington.

High-ranking Army leaders have exclusively informed LA TERCERA that Perez Yoma's statement fully exemplifies the Army's position, which advocates maintaining the best of ties with the U.S. Armed Forces, including the exchange of visits and professional training, but not to again rely on the Pentagon for equipment and the supply of guns.

The Military Assistance Pact falls within the framework of the Inter-American Reciprocal Assistance Treaty (TIAR) which committed the United States with assisting other countries of the Americas at a time in which the world was clearly divided into two blocs at the end of WWII. Article 3 of the TIAR establishes that "an armed attack by any country against a country of the Americas will be considered an aggression against all countries of the Americas." In view of this, all countries are committed to assist the country that is under attack. [passage on background material omitted]

A Multi-Million-Dollar Industry

In the past few years, Washington has been trying to persuade Chilean military and political officials about the need to restore military "cooperation." In other words, for Chile to again centralize the purchase of its guns and equipment in the United States, which has a multimillion dollar military industry. Through the proper channels, however, the Army leadership has reasserted that such a situation would be highly inconvenient. It has also stated that the Army has not forgotten that when it needed it most, the United States denied the Chilean Armed Forces their "bread and butter," which could have had extremely serious consequences.

These are the grounds for Defense Minister Perez Yoma's refusal to accept an eventual pact, agreement, or whatever it may be called. It was specified that this does not mean that the defense minister shares the Armed Forces' view. He simply clearly understands the powerful reasons they have to keep and reinforce their independence.

Chile: Pinochet Denies Report on New Retirement Date

PY2007011396 Santiago EL MERCURIO in Spanish 19 Jul 96 p C6

[FBIS Translated Excerpt] General Augusto Pinochet, Army commander in chief, has denied rumors alleging that he would advance the date of his retirement — which will take place on 11 March 1998, as provided for in the Constitution — with a categorical "no."

From the moment the Frei administration announced that it would resort to the "Canessa Law" to extend the active duty of one of the four most senior Army officers — Generals Guillermo Garin, Richard Quaas, Ramon Castro, and Jaime Concha — there have been rumors that this decision may have been prompted by the fact that Gen. Pinochet would take early retirement.

Following a ceremony held at Lo Curro Military Club to mark the coming out of a book entitled "Pinochet — A Trail-Blazer of Tomorrow's World" written by his daughter, Lucia Pinochet Hiriart, the Army commander in chief said curtly: "I know when I am going to retire." [passage omitted]

Chile: Military Court Dismisses 1973 Missing Persons Case

PY2007002496 Santiago EL MERCURIO in Spanish 18 Jul 96 p C9

[FBIS Translated Excerpt] The Military Court has unanimously applied the Amnesty Law to definitively dismiss the investigation into the disappearance of 24 peasants in Paine in 1973. This information was provided by defense lawyer Nelson Caucoto who said he appealed to the Supreme Court against the military court ruling.

Caucoto said the investigation of this case was begun by Justice Humberto Espejo, who headed the San Miguel Appellate Court. [passage omitted]

Chile: Government Refutes World Bank Report on Economy

PY2007035396 Santiago EL MERCURIO in Spanish 12 Jul 96 p B1

[FBIS Translated Excerpt] Although a World Bank report places Chile among countries with the most unequal distribution of wealth, Nancy Birdsall — executive vice president of the Inter-American Development Bank — pointed out that her institution considers that Chile "is the jewel in the crown" and an example for the region because it has an accentuated and sustainable economic growth, in addition to giving clear signs that poverty is decreasing in the country.

According to Birdsall, it is possible to have a bad historic level of income distribution and to have success in implementing changes. Chile is an example of a country that is overcoming this problem. Proof of this is the fact that in the last four years more than one million people have already overcome their level of poverty, she said. [passage omitted]

Finance Minister Eduardo Aninat has pointed out that the figures shown in the World Bank report are wrong or at least different from those resulting from polls conducted by the National Social Economic Characteristics, Casen, and the National Statistics Institute. He added as an example that the report states that the 20 percent of the population who are considered the wealthiest people have 81 percent of Chilean family income, while the last poll conducted in 1994 indicates instead that they have only 56 percent of the income.

Aninat explained that this does not mean that wealth distribution in Chile is adequate or positive, it only indicates that there has been a bad and partial statistical interpretation.

In his opinion, beyond statistical studies, unequal income distribution is a structural issue that has persisted throughout history not only in Chile but also in other Latin American, African, and Asian countries. This is why, he said, the administration is seeking to achieve an equitable economic growth model through public policies in order to advance on the path that leads to equal opportunities for all through the implementation of social programs.

Regarding the concept that the economic model is unfair, as shown on 11 July by a Center for Contemporary Reality Studies poll, Aninat emphasized that the system combines personal freedom, the decentralization principle, and the private sector as promoter of development. All that in addition to an alert and active administration that concentrates its actions on the pursuit of equity.

Economy Minister Angel Maulen [as published] admitted that Chile has a serious problem regarding income distribution. He expressed reservations about the study conducted by the World Bank, and pointed out that it is difficult to make comparisons among different countries with different economic systems. There can be countries with an equitable income distribution, but all they may be equitably distributing is poverty, and this is not the case in Chile, he said.

Chile: Aninat on First Half Economic Performance

96SM0432A Santiago EL MERCURIO in Spanish
30 Jun 96 pp B3, B5

[Interview with Finance Minister Eduardo Aninat by Lina Castaneda C.; place and date not given]

[FBIS Translated Text] Hours after meeting with Central Bank President Roberto Zahler, prior to the latter's announcement of his resignation, Finance Minister Eduardo Aninat assessed the performance of the Chilean economy in the first six months of the year. At the close of the first half, both the Central Bank and the Finance Ministry projected economic growth of seven percent this year.

[Castaneda] How do the macroeconomic indicators look at the close of this first half?

[Aninat] Except for the problem of the price of copper over the last few days and weeks, I would say that we have had an excellent first half.

I say that not only because average real growth in the first quarter was 9.1 percent, but also because there has been a twofold benefit, with strong and sustained growth and a narrowing of the gap between spending and GDP [gross domestic product]. We expect to see that gap disappear in the next few months. Moreover, there is harmonious growth in almost every sector of productive activity in the various regions of the country, as well as balanced external accounts.

[Castaneda] What about unemployment?

[Aninat] The National Institute of Statistics (INE) changed its method of polling, so we can only compare the last two mobile quarters, in which the rate fell from 6.6 percent in March to 6.1 percent in April. Other estimates of seasonally adjusted unemployment from independent analysts show a decline of more than one percent during the same period.

And if we look at real wages, which grew at a real average of four to five percent during the first four to five months, and at the demand for new jobs, we see that once again the labor market is extraordinarily dynamic and fluid.

[Castaneda] What do you see happening with inflation?

[Aninat] The June indicator will be very favorable; and even better, for at least two months, July and August, we will not have the impact of an increase in gasoline and tobacco that we saw last year with the tax that favored pensioners. Besides, there is more stability in the price of petroleum and derivatives.

I do recognize, however, that we did not have a very good March-April period because there was a slight uptick in inflation compared to the end of last year and early this year. That set off some alarms, but it is over now.

[Castaneda] What are the pluses and minuses on the balance sheet?

[Aninat] The most important aspect of this half is that if things continue to go smoothly, we will achieve an annual GDP growth rate of seven percent and very likely 6.5 percent inflation. There is no guarantee, of course, but we are back to 6.5 percent. There are no major unemployment problems, and there is an excellent balance in the external accounts, with the exception of copper.

So it is very important that we have achieved what you might call a golden three years: 1994, 1995, and 1996 have been a period of great balance and stability and very strong growth. I think this is a fine accomplishment for the first half of the Frei administration, and we are starting the second half on a good footing.

I think there is just one black mark on this excellent first quarter, and it has come very recently: the disorder and volatility in the price of copper on the market. It is causing some concern about 1997, not about this year.

[Castaneda] With regard to controlling inflation, it should be noted that the market received mixed signals when you said after the monetary restriction of April that the adjustment should be "as brief as possible," and the president of the Central Bank responded that the adjustment "will last as long as is necessary."

[Aninat] That was a false controversy, perhaps fueled by stockbrokers, because if we look at the substance of the matter, we see that in the last few days, there has actually been total agreement by the country's two economic authorities that growth will be seven percent. Moreover, the convergence of spending and GDP is coming about nicely, which proves that the adjustment is just as intense as we wanted it to be.

The adjustment is working well, and in my opinion, an eight-year real PRC [expansion not given] hovering around 6.45 or 6.5 percent strikes me as an interesting and reasonable adjustment that has been kept working well in terms of the gap between spending and GDP.

[Castaneda] Why fueled by stockbrokers?

[Aninat] In Chile, some analysts who are very influential on the short-term securities market are extremely hypersensitive.

The important thing is for the analysts to point out what direction fiscal and monetary policy are moving in over the long term, and the major trends in the key variables. Today, the market is responding in a way that suggests the analysts are saying that growth is becoming ever more balanced.

[Castaneda] How would you describe your relationship with the president of the Central Bank, Roberto Zahler (who resigned on Friday)?

[Aninat] Cordial, but with the independence and respect that an autonomous central bank merits. Remember that there is an autonomy law that says the finance minister or the undersecretary representing him has a voice but no vote on the Central Bank Board of Directors.

We have maintained a working relationship that involves meeting on a weekly basis, mainly at the luncheons held here at the Finance Ministry every Thursday without fail to discuss the economic situation and to analyze the statistics. (Last Thursday was the final meeting with Zahler at the head of the Central Bank.)

[Castaneda] Could the decline in the stock market during the first six months of the year be an indication of worse times ahead?

[Aninat] It is interesting to look at the long term. The country has more options today because it has opened up to the international market through Mercosur and the European Union, and because in the numerator we also have the companies' profit, sales, and activity records and a relatively low level of indebtedness.

On the other hand, the discount rate, which is the cost of capital, is relatively high because we are undergoing a belt-tightening. But once the adjustment is over, in the long run it should come down. That leads me to predict that the price of shares will trend upward, and without giving any dates, I would say that there will be a tendency toward appreciation or higher prices for high-yielding shares, especially blue-chip stock.

Paying Before and After

[Castaneda] How would you explain to the public that those who paid first for subordinated debentures did not receive any discount, and those who are paying last are at an advantage?

[Aninat] You should ask the Central Bank of Chile, which is directly involved. I will not pull any punches in expressing my opinion, however. I think that every Tom, Dick, and Harry knows—and in Chile we are pretty quick studies in economics and finance—that since the 1980's the nominal debt owed by those banks was not on a par with the economic value of that debt from the standpoint of future flows.

Thanks to a law that has been a long time in the making—it was begun in the Aylwin administration, drafted by this administration in conjunction with the Central Bank Board of Directors, and passed by Congress last year—we have found an orderly solution to an old problem that everyone was aware of.

For this reason, what is being negotiated should not come as a surprise to anyone. We believe that the Central Bank has been rational and prudent enough to carry out this process with the professionalism it requires.

[Castaneda] What are the effects of the falling price of copper?

[Aninat] I am concerned about the price of copper, I cannot deny that. It is a factor that triggers alarms. I am concerned that the price has fallen sharply from 133 U.S. cents a pound to just 82 cents a pound, and that inventories registered on commodities exchanges have risen from just over 200,000 tons to 350,000 tons.

But more than anything else, I am concerned about the tremendous volatility and uncertainty that incidents such as Hamanaka and other problems have caused on a pivotal market as important as the London Metal Exchange.

Chile supports the London Metal Exchange, but we believe it is necessary for producing countries to press for more complete audits and for what the British call "more accountability" for what some traders do "over the counter" and "on the floor" in registering their transactions.

[Castaneda] What is the real impact on the budget?

[Aninat] Although it is premature to draw conclusions, a price of 82 or 83 cents for copper, which is what we are seeing now, certainly has to put the Finance Ministry on alert in terms of the budget for 1997. If the experts' predictions change to a decline like the one we are seeing now, we could be forced into a rather austere budget for 1997.

[Castaneda] How does the Copper Compensation Fund work in these cases?

[Aninat] It actually has a macroeconomic purpose, and it is part of what we call fiscal savings. It has been one of the instruments we have used to support the Central Bank in its battle against inflation. And what we believe is that this fund should not be touched; it should be left as is. It is intended for major catastrophes. But my point is a different one: If anything has changed on the copper market in the medium term, and this decline in prices is not just a passing phenomenon, we will have to take action by changing our medium- and long-term parameters in the budget, because it affects us in many ways.

[Castaneda] What macroeconomic effects would result if the price of copper remained in a slump for the rest of the year?

[Aninat] The main effect would be a balance of trade with a deficit worse than the $350 million to $380 million that we are projecting for this year. But given the country's international reserves and the vigor of other exports, which are growing at a rate of eight to 10 percent, this year it will not be a great cause for concern. Moreover, analysts' long-term projection of the exchange rate is linked in terms of supply and demand to their long-term projections of the price of copper.

[Castaneda] At the annual dinner of the copper industry, you closed out the year by telling the copper producers to "mind their own business" when they questioned some government spending items. What kind of relationship have you had with the private sector these past months? Have they been cooperative or critical?

[Aninat] A few days after that meeting my friend Pedro Lizana made a public gesture of reconciliation. Between January and June of this year, we have had a positive and free-flowing dialogue between the Finance Ministry and businessmen of all sectors. The Industrial Development Association (Sofofa) cooperated wonderfully in the negotiations on the agreement with Canada, and the Confederation of Production and Commerce made a great contribution to the legislation on tax exemptions for donations for educational purposes. These are two specific instances in which they have cooperated without complaining. We hope to keep that dialogue going.

[Castaneda] Speaking of the trade agreements, do you feel a little jealous that Mercosur was signed first and not NAFTA [North American Free Trade Association]?

[Aninat] Absolutely not. We are here to serve the country, not to protect the turf of each ministry. Furthermore, I am very proud that, at the request of President Frei and Minister Insulza, at a certain point in the negotiations I was able to help remove the infamous statistical rate that Argentina was imposing on many of our industrial exports.

[Castaneda] When can we expect to see tariff reductions in the European Union?

[Aninat] Based on what the negotiators tell me, I would say that trade and tariff talks will resume in December of this year, but it will necessarily be a gradual and slow process. The Foreign Ministry is in charge of the negotiations, and Hector Casanueva, among others, is participating on behalf of the Finance Ministry.

[Castaneda] What can exporters do to sort through the maze of different tariffs that these agreements entail?

[Aninat] In the case of Mercosur, there used to be a variety of tariff schemes; now there will be a common pattern for all four countries. I admit, however, that this puts additional administrative pressure on the Customs Service, and for this reason we plan to modernize it.

I think that, as we have seen in the European Union and in NAFTA, there will be more expeditious data systems for users and support services for exports and imports. We are already aware of several firms that are positioning themselves to provide those services to businesses that need them.

[Castaneda] What do you see happening in agriculture over the next 10 years, after the reconversion?

[Aninat] I will begin with a confession: I am a small farmer; I have 100 hectares in a somewhat hilly region in southern Chile, and although I am not intensively involved in farming, I am optimistic. I think the agriculture sector will develop in such a way that it will take advantage of the opening to foreign markets, and people will be the main factor in the reconversion, in that there will be a tremendous effort to train rural dwellers.

Changes in Taxes

[Castaneda] What tax structure would you like to leave behind as your legacy?

[Aninat] I would like to carry out just one major tax reform, if President Frei gives me time to do it and the country accepts it. It would be linked to a drastic simplification of the current tax system, and it would be aimed at striking a balance among simplification, equity, and country-competitiveness. The changes in the future will involve moving toward fewer taxes, but very effective ones with low administrative costs.

[Castaneda] Is it not true that tax reforms have been too frequent, given that economic agents need stability to make business projections?

[Aninat] In the past that was true. I think that two tax reforms in four years was too much.

[Castaneda] What would be ideal?

[Aninat] The ideal would be no more than one tax reform every 10 years, as a rough rule of thumb. That is precisely why I have been so consistently emphatic about not forcing a tax reform.

Chile: Court Indicts 5 Involved in Drug Trafficking Ring

PY2007035896 Santiago EL MERCURIO in Spanish 15 Jul 96 p C1

[By Hernan Cisternas]

[FBIS Translated Excerpt] Valparaiso — Alberto Botero Londono, a former Colombian embassy diplomat in Chile; his wife, Maria Eugenia Delgado Arriagada; and Botero's sister, Constanza de Jesus Botero Londono; were indicted last night on charges of drug trafficking.

Also indicted on the same charges were Sergio Ivan Pedro Robero Ribau and Luis Jaime Jarani Arriagada, who were also involved in the smuggling into Chile of the huge cocaine load that was discovered at the San Antonio port last weekend.

For the time being, the Botero's two sons were set free on lack of evidence.

Sixth Court Judge Marcos Felzenstein, who is handling the trial of members of an international drug trafficking ring that smuggled into Chile 487 kg of highly pure cocaine worth $14.5 million, issued the ruling last night at 2130. [passage omitted]

Botero, his wife, Maria Eugenia Delgado, their two sons, Botero's sister, Constanza Botero, as well as a bus driver and a customs agency employee, were placed under arrest at the beginning of last week in different Carabineros units. [passage omitted]

Chile: Colombian Drug Ring May Be Behind Cocaine Shipment

PY2007032196 Santiago EL MERCURIO in Spanish 19 Jul 96 p C12

[FBIS Translated Excerpt] General Manuel Olivares, chief of the Carabineros Counternarcotics Directorate, stated on 18 July that the police are confronting a powerful international ring, which traffics in cocaine from its center of operations in Colombia. The unsuspected ramifications of this ring in Chile are proving to be increasingly widespread.

Gen. Olivares declared that as a result of the investigations conducted following the testimony made by Santiago Alberto Botero, former official at the Colombian Embassy in Santiago, it is possible to assert that rather than a drug cartel operating in Chile, a "major ring" is involved in this drug affair.

Botero seems so far to be one of the leading masterminds of the shipments of cocaine bound for Chile in an autoclave (apparatus for sterilizing surgical and dental instruments). This case was discovered thanks to a search made by Carabineros at San Antonio Port, which resulted in the seizure of nearly 500 kg of cocaine.

Gen. Olivares reported that nine persons have bee arrested so far and underscored that Botero's sons Pablo and Miguel Botero Delgado had not been taken into custody.

The latest detainees are: Jose Lasen Halabi, 70, a retailer living in Campos de Deportes in Nunoa, and Claudio Gutierrez Fuenzalida, a taxi-driver, who were captured on 16 July during several searches conducted in Santiago. Halabi and Gutierrez were taken to Valparaiso on 18 July to place them, and the incriminating evidence seized by Carabineros, at the disposal of the judge hearing this case. [passage omitted]

Gen. Olivares further stated that the police are of the opinion that drug-runners had chosen Chile because they thought they could send their consignments of drugs to the United States without arousing much suspicion on account of Chile's reputation as a serious country. "This is the idea, but we do not rule out the possibility that the drugs may have been distributed in our country, especially considering that only 15 packages of cocaine were found in the autoclave, which has a capacity of 150-170 kg," he added.

Gen. Olivares stressed that Carabineros have worked in coordination with the judge hearing this case, who has issued arrest warrants and a broad mandate to delve into this affair.

It is deemed that in light of the links Botero had in Chile, this drug ring may have been operating in our country for months or even years.

Colombia

Colombia: U.S. Revokes Visas of 2 Representatives

PA1907235396 Santa Fe de Bogota EL TIEMPO in Spanish 19 Jul 96

[Received via Internet]

[FBIS Translated Text] The U.S. Government has launched its attack on Colombian congressmen accused of having alleged ties to drug trafficking.

Yesterday, a Washington spokesman said that the U.S. Department of State revoked the visas of Representatives Carlos Alonso Lucio and Alvaro Benedetti. Benedetti, the former president of the Chamber of Representatives, is currently under arrest by order of the Criminal Chamber of the Supreme Court of Justice on charges of illegal enrichment.

The U.S. decision takes place one week after the United States revoked President Ernesto Samper's visa.

In addition to the president, Lucio and Benedetti, Comptroller General David Turbay, Colombian Ambassador to Mexico Gustavo de Greiff, and Attorney General Orlando Vasquez Velasquez had their visas revoked. Vasquez Velasquez is also under arrest at the Training Institute of DAS [Administrative Department of Security] Officers.

This decision takes place a week after the United States decided to revoke President Samper's visa. Lucio downplayed the importance of the U.S. measure.

Carlos Alonso Lucio and Alvaro Benedetti, two of the most controversial members of the Chamber of Representatives, will be barred from entering U.S. territory.

Yesterday, Washington sources confirmed that the Clinton administration decided to revoke the visas of Lucio and Benedetti because of "their drug trafficking links."

Since 10 March 1996, Benedetti, former president of the Chamber of Representatives, has been detained at the Penitentiary School in Fusa, after the Criminal Chamber of the Supreme Court of Justice dictated a custodial measure without right to bail against him on charges of illegal enrichment.

On Wednesday, Lucio received a communication from the U.S. Embassy notifying him that his visa had been revoked. The diplomatic mission in Santa Fe de Bogota refrained from making any comments in this regard.

Lucio refused to speak to reporters. However, he issued a press communique downplaying the importance of the U.S. measure.

"We have always been concerned about finding solutions to national problems, the reason that we have launched struggles that enable Colombia to find new possibilities. Our voice will continue to be heard whenever the motherland's situation demands it and not to discuss topics we deem irrelevant," the representative wrote.

Carlos Alonso Lucio, who was formerly a member of the 19 April Movement guerrilla group, was elected to the Chamber of Representatives as an independent congressman and has promoted several debates in which he has attacked the U.S. Government and has proposed the legalization of drugs.

In October 1995, Lucio revealed several cassettes that contained the recording of some conversations between two DEA agents, who were referring to Colombian Government officials in disparaging terms.

The revokation of Lucio's visa took place a week after President Samper's visa was revoked on the argument that his electoral campaign had received financing from Cali Cartel kingpins.

In addition to Samper, Lucio, and Benedetti, the United States has also notified Comptroller General David Turbay, Colombian Ambassador to Mexico Gustavo de Greiff, and Orlando Vasquez Velasquez, former prosecutor general and current attorney general, of the revocation of their visas. Vasquez Velasquez has also been imprisoned at the Training Institute of DAS Officers.

Colombia: 'Contingency Plans' Readied For Any Sanctions

PA2007034896 Madrid EFE in Spanish
2128 GMT 19 Jul 96

[FBIS Translated Text] Cartagena, 19 Jul (EFE) — Colombian Development Minister Rodrigo Marin Bernal said in Cartagena today that Ernesto Samper's government "is working on contingency plans in case the United States imposes economic sanctions." "The government has already drafted contingency plans to overcome the effects of such measures using its own resources," Marin Bernal said. The development minister stressed that the Colombian Government does not anticipate that the Clinton administration will impose sanctions. He added that "the political and institutional crisis that the country is experiencing has not adversely affected the government's development plans" nor has it increased unemployment. The government and Marin Bernal himself have denied reports that Marin Bernal will replace Vice President Humberto de la Calle as ambassador to Spain.

Colombia: FM Wants To 'Proceed Cautiously' on U.S. Ties

PA2007040096 Madrid EFE in Spanish
2147 GMT 19 Jul 96

[FBIS Translated Text] Santa Fe de Bogota, 19 Jul (EFE) — Colombian Foreign Minister Maria Emma Mejia said today that "it will take time" to improve her country's relations with the United States, deteriorating due to the U.S. Government's lack of confidence in President Ernesto Samper's fight against drug trafficking. Mejia noted: "We must be realistic and proceed cautiously." Mejia confirmed that the Colombian Government will propose to Washington next week a replacement for Colombian Ambassador Carlos Lleras de la Fuente, who resigned for personal reasons. Mejia, former ambassador to Spain and former education minister, replaced Foreign Minister Rodrigo Pardo on 17 July. Pardo is one of the three high-ranking government officials being investigated by the Colombian Prosecutor General's Office for alleged coverups regarding the infiltration of drug money into President Samper's presidential campaign.

Colombia: New Foreign Minister Urges 'Truce' With U.S.

PA2007173096 Santa Fe de Bogota EL TIEMPO in Spanish 20 Jul 96

[Received via Internet]

[FBIS Translated Text] Foreign Minister Maria Emma Mejia will try to reinitiate the dialogue with Washington, affected by the suspension of President Ernesto Samper's visa. She has been at her post one week.

The new minister will make an official visit to Washington Tuesday.

She plans to examine the bilateral agenda with State Department officials.

The first international visit by the new foreign minister, who was sworn in last Wednesday, will be taking place at a most critical moment in Colombian-U.S. relations, after President Bill Clinton suspended, on 11 July, the visa of Colombian President Ernesto Samper.

The foreign minister said: "I will go to Washington ahead of other ministers to shape the political agenda."

When it was learned that Samper's U.S. visa was canceled, last week, the Colombian Government decided to postpone the trip that Defense Minister Juan Carlos Esguerra and Justice Minister Carlos Medellin had planned to make.

On that occasion the government explained that it considered the need urgent to modify the agenda for the U.S. dialogue and reported that, before a minister's visit takes place, Colombia will try "to discover if they want to continue working with President Ernesto Samper and his government, or not."

The foreign minister said: "We are not hoping for a truce; we hope to build mutual trust based on results."

Mejia did not want to comment on the withdrawal of the U.S. visa from Chamber Representatives Carlos Alonso Lucio and Alvaro Benedetti, because she has no official confirmation of this. However, she cautioned that she respects "a sovereign state's decision to permit, or not, the entry of ((foreign)) nationals," although she may not agree with the decision.

Regarding the suspension of visas she said "this is not the best way to fight drug-trafficking, or safeguard democratic stability in Colombia, or of producing a rapprochement in the midst of a battle that could be very tough in the next six months, because we want to produce bills comparable to those prevalent in the international arena. This is the opinion of many experts, including U.S. experts," she said.

The foreign minister said the government does not mind the visit that former presidential designate Juan Manuel Santos will make to Washington to try to get high government and congressional circles to back Colombia in the current tough circumstances.

She said: "This was his own initiative, and not that of the Colombian Government. He kindly told the president that he was going to meet with the International Forum and that, taking advantage of the fact he is vice president of that forum, he wanted to engage in good-offices work similar to that carried out by businessmen following the decertification and to contribute to the efforts the government plans to make to expand the dialogue with the United States."

Foreign Minister Maria Emma Mejia added: "Everybody must contribute to this endeavor. Right now there are 36 million foreign ministers in Colombia because everybody wants to contribute to the search for better international relations and if Juan Manuel Santos has some contacts and can contribute with a nonofficial visit, this is, of course, welcome."

Colombia: Dangers of Growing Dispute With U.S. Viewed

PA1907233996 Santa Fe de Bogota EL TIEMPO in Spanish 19 Jul 96

[Article by Juan Manuel Santos: "For the Country" — received via Internet]

[FBIS Translated Text] Colombians must realize what lies ahead if the growing deterioration of our relations with the United States continues.

The economic and social cost would be enormous, much greater than what people imagine. That is why it is important to analyze the situation with a cool head, without appealing to the facile recourse of nationalism, to see how greater traumas could be avoided.

Washington has been announcing what it would do — no matter how arrogant, unfair, or clumsy it may seem — for a long time, even the cancellation of the president's visa. That is why the Colombian Government can appear offended but not surprised.

What follows, if things are not changed, is also known: selective cancellation of other visas, elimination of trade preferences, much more drastic economic sanctions, and the subsequent deterioration in the country's social and economic situation.

There is an aspect that nobody has paid attention to. It is the president's personal situation. According to some U.S. sectors, there are justifications (testimonies of several witnesses in two cases being handled in U.S. courts) to initiate a trial against him in the United States. That would be a political decision that would surely be taken at the highest level at the White House, considering what may happen to relations between the two governments.

That situation must highly concern our president. It must also concern all Colombians, even his critics. Ernesto Samper Pizano may have many defects, but he is not a crook. He may have allowed — by action or omission — drug money to enter his campaign, but he is not a Manuel Antonio Noriega. He may, however, remain that way — hounded all his life — before the world and history.

The two governments are responsible for serious mistakes and exaggerations. On the Colombian side, one could say that not too many mistakes were omitted in handling relations with Uncle Sam in the past two years; or at least that was the case up until yesterday, when Foreign Minister Rodrigo Pardo acknowledged it.

All officials gave their opinions, all got into the act, all uttered insults, many lied, all made accusations, all sent contradictory signals, and all believed they were foreign ministers. This is just one example: the first thing the newly appointed DAS [Administrative Department of Security] director told the press was that he would improve relations with the United States. What the heck does the DAS have to do with relations with the gringos? Why bother with the many other examples?

The question now is: is it possible to mend relations at this point? While Samper Pizano remains in office it will be highly unlikely that they will return to normal. The deterioration can be curbed, however, which is something that can help Colombia avoid a great many hardships.

The first thing one must understand is that there are problems of communication. What Colombia believes it is transmitting to the United States is now what Washington is perceiving and vice versa.

For instance, the Colombia Government submits impressive figures of drug seizures, crop eradication, and destruction of laboratories, which in its judgment fully show its commitment to fight drug trafficking. It adds to that the arrest of the main bosses of the Cali cartel.

What Washington is perceiving is a lack of interest on the part of the state branches, the political class, and a large segment of the establishment to give an in-depth commitment to that struggle. It does not understand that after so much narcoterrorism the largest drug exporter has not been able to so much as enact adequate legislation to fight drug traffickers. It gets exasperated seeing the second man in the Cali cartel free in less than five years of prison and enjoying his immense wealth.

Here, nobody paid attention to Clinton's State of the Union address, before his full Congress, when he said Colombia constituted an increasingly growing threat to U.S. national security. That shows us that the U.S. stance with regard to Colombia is not an electoral tactic but a state policy.

In sum, this looks like a dialogue of aggressive deaf men in which each one only hears what suits him.

That is why it is so important for the two sides to listen to the appeals for prudence. At the same time, other channels of communication must be sought.

We will be traveling to Washington next week precisely for that purpose. Every Colombian, without ever renouncing national dignity, has the obligation to try to avoid a greater confrontation with the United States, which would have as a consequence the loss of thousands of jobs and other deleterious results.

That action will not have an official character, nor must it be interpreted as a change in my critical stance toward the government. What happens is that we are playing with fire. A lot is a stake for the whole country, and that is why a parallel diplomacy becomes indispensable to defend the interests of Colombia.

Colombia: Reasons for Obeying U.S. 'Dictates' Viewed

PA2207035496 Santa Fe de Bogota EL TIEMPO in Spanish 21 Jul 96

[Article by Jorge Gonzalez and Ernesto Cortes F.: "Washington Spoke?" — received via Internet]

[FBIS Translated Text] The first Colombian official delegation approaching the rooms of the White House after the decision on President Samper's visa is getting ready to go to Washington. New Foreign Relations Minister Maria Emma Mejia, who includes in her briefcase a proposal of commitment that, to a large extent, the government is making on behalf of Congress, heads the delegation.

For instance, copies of the bills, based on which the administration hopes to unleash a "legal war" against drug traffickers starting with the confiscation of their assets, will also be included. The diplomatic chief has continued to stress the phrase of her predecessors: "We have to take the drug issue out of the U.S. agenda"

At this time — congressmen themselves admit it — the announcement of this objective alone sounds utopian in nature. However, it is exactly the opposite. The chambers, which are under pressure and being subjected to the North's scrutinizing eye, will this week start drafting the battle plan for the new (and eternal?) crusade against drug cartels.

The Clinton government, which is threateningly striking the whip of visa suspensions, and which is keeping the expectation of economic sanctions against the country in hold [en salmuera], talks about time. Myles Frechette, its ambassador to Santa Fe de Bogota, three weeks ago talked about 30 September as the "D-Day" for the implementation of new penal and legal statutes to legalize the offensive.

In the dialectic lingo, Congress demands independence and rejects what the outgoing Chamber of Representatives president described as a "subtle interventionist attempt." Senator Roberto Gerlein, who is the head of a conservative current fond of President Samper, has said that congressmen are not here to "do the homework" Washington dictates and that the deadline to start debating is indefinite.

Despite the attempts at nationalist reactions, the executive branch believes that the homework must be done. This is why the president has started talking about appealing to special powers to rule in case parliamentarian procedures bog down.

This same dissimilarity is observed in the words of the former congress president, Julio Cesar Guerra Tulena: "Colombians' honor is above commercial punishments." He later admitted that the bills that are under Washington's sight will monopolize the legislative agenda until year's end, so there would be no time to talk about anything else.

Not Only Congress...

With all this, Congress will not be the only institution subjected to this type of pressure and examinations. The scrutinizing eye will also focus on the Attorney General's Office and the Comptroller General's Office, which are two of the institutions that Case 8000 wore out the most.

If the bill on confiscation of assets passes, these two controlling organizations will be in charge of collecting evidence to promote cases before the courts handling administrative disputes. Since extradition still seems to be a distant issue in the horizon, confiscations stand out as the most sensitive issue.

Because of all this, the legislature that began yesterday will by no means be common legislature. In addition to legislative work, the country will remain alert of the 111 congressmen against whom a suit was filed at the Supreme Court of Justice for having approved the president's acquittal in what has been dubbed as the "trial of the century."

It is now worth wondering if, in the case of Washington, it is worth paraphrasing the aphorism which the old Roman Empire came to accept: "Because Rome spoke, all is solved" [Roma locuta, causa soluta].

Colombia: Call For Samper's Resignation Discussed

PA2107224796 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 21 Jul 96

[FBIS Summary] Former President Alfonso Lopez Michelsen has proposed the resignation of President Ernesto Samper in his column in EL TIEMPO entitled "A Dignified Way Out." Lopez Michelsen says Colombia would gain much from Samper's resignation. Lopez Michelsen's proposal elicited various political reactions.

Congress President Luis Fernandez Londono Capurro said Michelsen is a brilliant person "whom I have always admired." Londono said he is sure President Samper will evaluate Lopez Michelsen's proposal because Samper "is the one person most likely to determine what is most beneficial to Colombia during this crisis." Londono said that he agrees with Lopez Michelsen's proposal "that Congress vindicate itself before the people, and that the congressional agenda constitute a point of departure for the reconciliation of the Colombians." Londono added that he agrees with Lopez Michelsen regarding Congress' great responsibility during this session.

On the other hand, Chamber of Representatives Marta Catalina Daniel says that she is very disappointed with Dr. Lopez Michelsen's proposal, although she believes its pros and cons should be studied. Daniel said that "Colombia should reaffirm its autonomy," and that her "initial reaction is that Dr. Lopez Michelsen is giving in to U.S. pressure."

Moreover, Conservative Party President Jaime Arias Ramirez says that it is very significant that former President Lopez Michelsen is calling for Samper's resignation. Arias recalls that a recent EL TIEMPO editorial asked for Samper's resignation, and now Dr. Lopez Michelsen is asking for his resignation. Arias added that Lopez Michelsen's proposal presents a major problem because to give the president a dignified way out, Lopez Michelsen says a constitutional reform is needed, a reform that would take almost one year to approve and would allow Samper to almost complete his presidential term.

Colombia: Police Head on Death Threats Against Samper

PA2007195896 Madrid EFE in Spanish
1629 GMT 20 Jul 96

[FBIS Translated Text] Santa Fe de Bogota, 20 Jul (EFE) — National Police Director General Rosso Jose Serrano declared today that Colombian President Ernesto Samper had received anonymous death threats ever since he decided to reopen the debate on the issue of the extradition of Colombian nationals accused of drug trafficking in the United States.

The police director pointed out in Santa Fe de Bogota that death threats have also been received by himself, high-ranking officials at the Prosecutor General's Office, as well as several members of Congress.

An increase in the number of terrorist attacks has been taking place during the past few days following Samper's decision to propose reforms to the justice system as relates to drug traffickers, and open a debate on the convenience or not of reintroducing the extradition of Colombian nationals, which is currently prohibited by Constitutional mandate.

For the past three weeks the country's attention has been occupied on the issue of the surrender of Colombian nationals to foreign authorities, ever since U.S. Attorney General Janet Reno requested the extradition of Cali Cartel leaders, including this group's main leaders, Gilberto and Miguel Rodriguez Orejuela, both of whom are currently under arrest.

Serrano also warned that the death threats have coincided with the alleged emergence of the so-called "We Are the Extraditables."

This clandestine organization announced its emergence in a communique delivered last night to this capital city's major newspapers, in which it points out that it is prepared to restart the terrorist war launched in 1988 by a similar movement that called itself "the Extraditables."

"It was foreseeable that such a reaction would develop following the government's proposal to implement tougher sentences, and open a debate on the extradition issue," Gen. Serrano declared.

The police director stressed that "the president has received scores of anonymous telephone calls." However, he also disclosed that the calls have become more common at other government institutions such as the Prosecutor General's Office, Congress, and even the National Police Department itself.

Colombia: Group Threatens Government Against Extradition

PA2007043296 Mexico City NOTIMEX in Spanish
0156 GMT 20 Jul 96

[FBIS Translated Text] Santa Fe de Bogota, 19 Jul (NOTIMEX) — The so-called Group of Extraditable Persons reappeared today and announced that it will wage a war on the Colombian state if it decides to reinstate the extradition of drug traffickers to the United States.

The clandestine organization said "we do not want to be the only victims of the country's current crisis," and warned that "under no circumstances will they be tried in the United States."

From 1989 to 1990, the "Extraditables" waged a war on the Colombian state as a response to the extradition of several members of the erstwhile powerful Medellin cartel that claimed 5,000 lives, mostly civilians and policemen.

"Let this be the day in which all Colombians who have debts pending with justice renew the slogan of our predecessors: We prefer a grave in Colombia that a prison in the United States," the group stated.

Three weeks ago, Washington requested the extradition of four Cali cartel leaders, including brothers Gilberto and Miguel Rodriguez Orejuela, but the Colombian Government declined to process the request as it considered it unconstitutional.

Following the violence that shook Colombia, the National Constituent Assembly banned in 1991 the surrender of Colombian citizens to foreign authorities, which left without effect the treaty signed with the United States in 1979.

The government of President Ernesto Samper Pizano, to whom Washington canceled his visa to enter the United States for his alleged support to the drug cartels, opened this week the possibility of analyzing the reinstatement of extradition in Colombia.

The "We Are Extraditable" ["Somos Extraditables"] group accused the government, the Congress, and the judicial corporations of "giving in to U.S. pressure over extradition."

Noting that "they do not want to revive a bitter and sad time for our country," the group warned it is prepared to wage war on the government if the Congress reinstates this procedure at the request of the government.

Senators acknowledged that extradition could revive violence in the country, and have proposed holding a referendum to let the people decide if it approves the surrender of drug traffickers.

Colombia: Military Placed on Alert for 'Extraditables'

PA2007193696 Mexico City NOTIMEX in Spanish 1703 GMT 20 Jul 96

[FBIS Translated Text] Santa Fe de Bogota, 20 Jul (NOTIMEX) — The Colombian Armed Forces were put on a state of alert today after unidentified individuals attacked with explosives at least six police garrisons in the country's southwest and north yesterday.

The attacks, which left five injured, coincided with the reappearance of the so-called Extraditables group, which yesterday threatened to repeat its attacks elsewhere in Colombia if Congress decides to reactivate the extradition of drug traffickers to the United States.

In a communique, the organization, which late in the 1980's confronted the government for handing Colombian nationals to the United States, warned that it will repeat its actions of violence if extradition is reestablished in the Constitution.

Washington has threatened to apply commercial penalties to Colombia if the government of President Ernesto Samper fails to tighten the legislation against drug kingpins and if the government fails to get Congress to lift the existing constitutional ban on extradition.

Although the attacks on Cali and Barranquilla police garrisons were first blamed on urban guerrilla cells, authorities have not ruled out the possibility that the attacks mark the beginning of a wave of attacks throughout the country.

"We are on alert. Our intelligence is trying to find out how the Extraditables' document reached its destination, but we are prepared to deal with the situation," Police Director General Rosso Jose Serrano said today.

He said the government expected drug traffickers to react to the government proposal to stiffen sentences and open a debate on extradition. "Two explosions occurred in two cities yesterday, but we are on alert," he said.

In Cali, masked men on Friday evening detonated five low-power bombs in five police garrisons in the city's southwest and center, injuring at least four persons, authorities reported.

Meanwhile, in Barranquilla, unidentified individuals destroyed with a dynamite charge the police garrison in El Bosque neighborhood, injuring one policeman.

Fliers found at the site of the explosion alluded to the commemoration of the Peruvian independence proclamation on 20 July, according to state security organizations.

Gen. Serrano mentioned the possibility that the drug traffickers might be seeking alliances with rebels to resume their military actions, which from 1989 to 1991 killed some 5,000 persons in the country, including politicians, judges, police members, and civilians.

Colombia: Envoy Believes Border Incident 'Overcome'

PA1907141196 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 19 Jul 96

[Interview with Guillermo Alberto Gonzalez Mosquera, ambassador to Venezuela, by Javier Ayala; from "Caracol's 0600 to 0900 Newscast" — live]

[FBIS Translated Text] [Ayala] The incident, described as serious by Foreign Minister Maria Emma Mejia, on the Colombian-Venezuelan border Arauca River where shots were fired at a boat in which four Colombian officials were traveling, has been virtually overcome. We ask Colombian Ambassador to Caracas Guillermo Alberto Gonzalez Mosquera what happened?

[Gonzalez] We can sum up the events as follows: On 11 July, this embassy informed the Venezuelan authorities — simultaneously by fax and followed up by a note that was sealed as acknowledged — that a commission comprising four Colombian officials would be traveling the international Arauca River to do work related with their position. The Venezuelan Government received this communication, as I said, but probably the respective instructions did not reach the place of the incidents. When the commission was traveling one or two days ago near the 1 km marker post, at a place called La Yuca, they were met, according to the people on the boat, with shots from the Venezuelan Army. This forced the boat to approach the Venezuelan side of the river. There it established contact with the border post. Because of this, we requested an explanation from the Venezuelan Government — I did so myself the night before last — and a few hours after I received a reply covering three aspects. First, the Venezuelan Government apologized for the incident; second, they say there were no shots, which contradicts the version of our officials. This will need to be clarified in the next few days. Third, they suggest that we keep permanent communications in these cases to avoid these types of incidents. I believe the case has been dealt with appropriately. I believe this will allow us to make certain decisions that will allow us to prevent any sort of future incidents. I consider the matter closed. The only thing pending is that when this commission returns to Bogota, the testimony of these Colombian officials will be compared to the testimony of the lieutenant at the Venezuelan border post who said there were no shots fired. This is where it stands and I believe the incident has now been overcome.

[Ayala] Does Colombia accept the apology?

[Gonzalez] Yes. I believe the Venezuelan Government has apologized on very acceptable terms. Now we need to ensure that we prevent a recurrence of these sorts of problems. Relations are in very good standing and will probably improve over time with the visit by the foreign minister to Venezuela in eight days. We will have the opportunity to present a much clearer position in order to avoid incidents.

Ecuador

Ecuador: TSE Proclaims Bucaram Winner of Elections

PY1907185696 Quito Voz de Los Andes in Spanish 1700 GMT 19 Jul 96

[All figures as heard]

[FBIS Translated Text] Carlos Pardo Montiel, chairman of the Supreme Electoral Tribunal [TSE], has announced the official final results of the runoff elections for president and vice president.

[Begin Montiel recording, in progress] ...Abdala Bucaram Ortiz and Rosalia Arteaga, who were declared eligible for the runoff elections in compliance with the TSE resolution issued on 18 June 1996, obtained the majority in the elections on Sunday, 7 July 1996.

In compliance with the (?provisions) established in Article 112 of the Constitution and Articles 19, [words indistinct] and 45 of the election law on vote count procedure, established in Official Registry 349 issued on 5 January 1940, the TSE hereby declares:

To officially proclaim the results of the elections on 7 July 1996 as follows:

The presidential ticket headed by Abdala Bucaram and Rosalia Arteaga — running for the Ecuadoran Roldosist Party [PRE] and the MIRA [Independent Movement for an Authentic Republic], respectively — obtained a total of 2,285,397 votes;

The ticket headed by Jaime Nebot Saadi and Diego Cordovez Zegers — running for the Social Christian Party [PSC] — obtained 1,910,651 votes.

2. To proclaim the election of Abdala Bucaram Ortiz and Rosalia Arteaga as president and vice president of the Republic of Ecuador, respectively.

3. They will comply with the respective [word indistinct] of elected officials.

4. To publish this resolution at the official registry. Signed on 19 July 1997, in Quito, Ecuador. [end recording]

In light of the [word indistinct] reports, the TSE has proclaimed Abdala Bucaram is the elected president after completing the vote count of the 7 July elections.

Bucaram obtained 54.47 percent of valid votes, that is, 2,850,000 votes; while Jaime Nebot obtained 45.53 percent of the votes, that is, approximately 1,910,000 votes.

The TSE reported that from the 22,600 vote tally records that were scrutinized, a total of 41,500 were blank votes and 539,000 votes were nullified. This means that of the 4,770,000 votes, 4,196,000 were valid.

Bucaram will assume the presidency on 10 August. He replaces incumbent President Sixto Duran-Ballen and will rule Ecuador until the year 2000.

The TSE did not specify when it will issue the credentials certifying Bucaram as the new head of state.

Therefore, there were 4,700,000 valid votes in the 7 July elections. A total of 6,600,000 Ecuadorans registered for the elections and were eligible to vote. This means about 2 million Ecuadorans did not vote. The number of nullified votes does not surpass 11 percent, while less than 1 percent were blank votes.

Therefore, Abdala Bucaram and Rosalia Arteaga have been officially proclaimed the winners of the 7-July elections.

Ecuador: Visa, Passport Forging Gang Dismantled

96SM0443A Guayaquil EL UNIVERSO 'SUNDAY SECTION' in Spanish 7 Jul 96 p 14

[Unattributed article]

[FBIS Translated Text] The Judicial Police of the Province of Guayas has broken up an international gang of document forgers called "coyoteros" [coyotes]. Members of the gang were involved in forging visas and other personal documents. Police arrested five alleged members of the gang during an operation carried out over the past few days in several cities in Ecuador.

The alleged forgers had their centers of activity in Guayaquil, Quito, and Cuenca, and had contacts in both North and Central America. They collected a minimum "fee" of $5,000 for their work. This was revealed on 6 July by the Guayas No 2 Provincial Police Command in a preliminary report.

The police investigations which led to the arrests were undertaken on the basis of a report made by Dr Armando Espinel Elizalde, minister of tourism, who had learned of massive, illegal entry of undocumented Ecuadorans in the United Stats.

The persons arrested were found to be in possession of original and forged passports and visas, as well as other documents that had been reported stolen. At the same time, tickets on various airlines and other evidence of illegal activity were confiscated from them.

List of Those Arrested

The list of those arrested is as follows: Efrain Washington Suarez Rubira, Manuel Alberto De La Torre Santacruz, Maria Josefina Rosero Ortegano, Enma [as printed] Angelina Concha Cabrera, and Julio Juvenal Gallego Cordero.

According to the police report distributed to the press, investigation of this matter began several months ago, when intelligence agents of the Immigration Control Service learned of the activities and manner of operation of the "coyoteros."

Once enough information was compiled, the agents carried out an operation on 3 July in the "Electrolux" store, located at Calle Pichincha 338, near the corner of Calle Luque. The agents captured four alleged members of the gang.

The gang members used to meet at the store and considered it their operations center. They met there with their international contacts and with the persons they were defrauding.

On 4 July, Police from Quito carried out an operation and arrested Julio Juvenal Gallego Cordero in that city. According to the police report on the operation, he was the key person in the organization and had international level contacts.

Evidence of Illegal Activity Seized

On the basis of the preliminary investigation, the police learned that the persons arrested used to charge at least $5,000 for sending an Ecuadoran citizen to the United States.

People who wanted to travel to make their "American dream" a reality were easy victims of the deception practiced by gang members, who made use of their conversational skills and convinced their incautious dupes.

According to the police report, Gallego Cordero, who used to call himself Francisco Espinoza, admitted knowing the other four persons arrested, whom he met every two or three weeks in Guayaquil.

At the same time, he had contacts in Cuenca, whose identities have not been revealed. Investigations regarding them have not yet been completed.

Falsified Citizenship Certificates and Passports Found

Police found in possession of the persons arrested a large number of falsified citizenship certificates and passports, false seals from the Immigration Control Service, cameras, checks, tickets on various airlines, and lists of persons whom they were planning to send to the United States.

The Police asked people who may have been swindled by the arrested persons to come forward and denounce them. The Police also recommended that citizens not contact certain forgers, since the Immigration Control Service has been alerted to this kind of activity.

Ecuador: Illegal Alien Smuggler Apprehended

96SM0443B Guayaquil EL UNIVERSO in Spanish 1 Jul 96 p 16

[Unattributed article]

[FBIS Translated Text] Quito—Luis Gonzalo Sandoval Santillan has been arrested by Interpol agents in Pichincha after they discovered that he was using a "fake" travel agency to send Ecuadoran citizens to the United States illegally.

The suspect was found in possession of a large quantity of falsified documents, such as Ecuadoran and Mexican passports, military service cards, seals of the Embassies of Mexico and the United States, and residence documents in the United States, all of which were used to commit the illegal acts.

At present the police believe that Sandoval is part of an international gang of "coyotes" [alien smugglers], since his principal mission was to send immigrants to Mexico. These persons were contacted in that country by other persons who took them to the border with the United States.

Fake Travel Agency

According to a statement made by the suspect, in January 1995 he opened a travel agency located at the corner of Avenida Portugal and Avenida 6 de Diciembre, whose legal name was "Importadora Mercantil Monterrey" [Monterrey Commercial Importers].

Luis Gonzalo Sandoval Santillan said that all of his business activity was in accordance with the law and that the illegal actions of which he was accused were probably committed by his employees and a partner, identified as Jose Luis Navarrete Vaca, who is presently being actively sought by Interpol.

Nevertheless, the police report on the arrest states that most of the evidence of this illegal activity was found in Sandoval's residence, particularly a numbering machine which was used to falsify certain documents which are issued only by the Embassy of Mexico.

A Large Operation

The equipment used by Sandoval for his activities was very extensive, since he used more than 30 seals, making it possible for him to change any date and falsify a large number of passports.

One item of equipment was a numbering machine with which he could print a serial number on documents which only the Embassy of Mexico issues. Nevertheless, no trace has been found thus far of an impression seal — the device used to give more authenticity to forged documents. It is believed that this device may be in the possession of Sandoval's partner.

According to the Police, Luis Gonzalo Sandoval Santillan has no criminal record in Ecuador. However, in Mexico several warrants for his arrest are outstanding.

Since Sandoval opened the "fake" travel agency, he reportedly has sent between 300 and 400 persons overseas, for which he collected between $5,000 and $6,000.

Peru

Peru: Tudela Says Moncayo's Remarks 'Personal Opinion'

PY2007034696 Madrid EFE in Spanish 2236 GMT 19 Jul 96

[FBIS Translated Excerpt] Lima, 19 Jul (EFE) — Peruvian political and diplomatic sectors today rejected the remarks against the Rio de Janeiro Protocol made by Ecuadoran Army Commander General Paco Moncayo, who is the future chairman of the Ecuadoran Armed Forces Joint Command.

Moncayo said in an interview on 18 July with the Lima daily EXPRESO that the protocol "is not an instrument for peace or friendship, nor even to establish the border."

He also told EXPRESO that he "did not believe" in treaties that were "imposed by force because they resolve nothing and seriously damage bilateral relations."

Peruvian Foreign Minister Francisco Tudela said in this regard that "the Peruvian Government is guided by state acts and not by opinions that are not a determining factor in foreign policy".

Tudela told the media that the remarks were Moncayo's personal opinion.

He added that Peru and Ecuador are "interested in the peace process, which began with the Ecuadoran recognition of the Rio de Janeiro Protocol." [passage omitted]

Peru: Gen Hermoza Views Moncayo's Remarks on Rio Protocol

PY2007034896 Madrid EFE in Spanish 2316 GMT 19 Jul 96

[FBIS Translated Excerpt] Lima, 19 Jul (EFE) — General Nicolas de Bari Hermoza, chairman of the Armed Forces Joint Command, stated today that it is incumbent upon the Ecuadoran Foreign Ministry rather than members of the Armed Forces to make a political pronouncement on the Rio de Janeiro Protocol.

Gen. Hermoza thus commented on the recent remarks made by his Ecuadoran counterpart General Francisco Moncayo, who told the Lima newspaper EXPRESO on 18 July that the Rio de Janeiro Protocol "is neither an instrument of peace, nor of friendship, nor of border demarcation."

Gen. Hermoza observed that "this is not a problem of Peruvians" because "freedom of thought" is respected in both countries.

The chairman of the Armed Forces Joint Command pointed out that "relations between countries are based on international law. Our relations with Ecuador are moreover underpinned by a legal framework based on the Rio de Janeiro Protocol and Braz Dias de Aguiar's ruling." He went on to say that peace negotiations with Ecuador are proceeding along those lines.

This notwithstanding, Gen. Hermoza declared that he would rather not make any comments on political issues "because it is incumbent upon the military attache of the Peruvian Foreign Ministry to make such a pronouncement." [passage omitted]

Peru: Ecuadoran Army Chief Views Uses of Rio Protocol

PY1907235996 Madrid EFE in Spanish 1817 GMT 18 Jul 96

[FBIS Translated Excerpt] Lima, 18 Jul (EFE) — Army Commander General Paco Moncayo, future chairman of the Ecuadoran Armed Forces Joint Command, said today the Rio de Janeiro Protocol "is not an instrument for peace or friendship, nor even to establish the border."

In a telephone interview with the Lima daily EXPRESO, General Moncayo said he "does not believe" in treaties "that were imposed by force because they resolve nothing and seriously damage bilateral relations." [passage omitted]

Gen. Moncayo told EXPRESO that to insist on the protocol is "to return to 1942" when "a few segments of the Peruvian-Ecuadoran border remained to be marked."

For Peru this is a problem of demarcation, because Ecuador has refused to install the markers on 78 km of the Condor mountain range, and not of delimitation because Peru says the border was fully established by the treaty.

Regarding the current talks between the two countries, Gen. Moncayo said that in the peace process and the normalization of relations — based on the Rio de Janeiro Protocoal framework — "Ecuador is more flexible and this is why the two countries are negotiting a solution on the basis of mutual confidence and not to deepen the wounds of the past." [passage omitted]

Regarding his recent naming by Ecuadoran President-elect Abdala Bucaram as the future chairman of the Ecuadoran Armed Forces Joint Command, Moncayo told EXPRESO that "this is the culmination of my military career and a way to continue to be useful to my country."

Gen. Moncayo, who is now the Army commander, will take over his new job after Bucaram's inauguration on 10 August.

Moncayo said he "does not believe" in a military solution to the conflict between the two countries.

[Madrid EFE in Spanish on 0049 GMT 19 July 1996 reports that Peruvian Congressman Luis Delgado Aparicio, head of the Foreign Relations Committee, today labeled Gen. Moncayo's remarks as "an isolated and unusual position." Delgado pointed out that Moncayo's remarks do not reflect the feeling of the Ecuadoran people and that "it should be recalled that the Armed Forces are not a deliberating body." Delgado added that "Moncayo's comments are contrary to the position of Ecuadoran President-elect Abdala Bucaram, who said the negotiating process is aimed at consolidating peace between the two countries." Delgado added that the new Ecuadoran officials should clarify General Moncayo's comments.]

Peru: Commentator Views Strategy of Ecuador's Bucaram

PY1907174896 Lima LA REPUBLICA in Spanish 14 Jul 96 p 6

[Mirko Lauer's column: "The Great Charming Man"]

[FBIS Translated Text] It is quite obvious that Ecuadoran President-elect Abdala Bucaram is still carrying out his campaign. As soon as he concluded his presidential campaign, he immediately began to develop his country's strategy on the conflict with Peru. It consists of hoisting the political flag of peace and suppressing the legal flag of the Rio de Janeiro Protocol.

The flowers that Bucaram is throwing at us through his populist cannon should not surprise anyone. It is more or less the same style of the joyful graffiti on the walls of Quito, broadly disseminated during the Ecuadoran political campaigns. We had the opportunity to witness Bucaram meeting with Peruvian mayors on the border, and his proposal to have ceviche with Alberto Fujimori, when he called himself the little madman [loquito] who greets the little Chinese man [chinito].

Of course this is much more amusing and entertaining than a new armed conflict. Some local media have warned that Bucaram in the Presidency could mean a more aggressive Ecuador in the military field. But no one was expecting a charm offensive that competes with that conducted by Fujimori in Quito during the first half of the 1990's.

Should we believe in him? Of course, because Ecuador today seems to be playing the leading role in the diplomatic dispute with Peru, and Bucaram's charms only strengthen the conviction of the guarantor countries that we should yield positions on behalf of peace; the same peace Ecuador is willing to disrupt if it does not get what it wants.

Fujimori has reacted to Bucaram's flowery offensive with an unexpected sobriety. He has not returned to him with bouquets from this side of the border, and has not made any defiant remarks either. It is more or less clear that he is no longer affected by any presidential policy in this conflict, about which Peru has nothing to celebrate or laugh at.

This is because the issue of our territorial rights is about to be broached at a delicate negotiating table, negotiations in which at this point the declared charm or the goodwill of the presidents of the two countries don't have much of a role. Ecuador wants to progress at all costs and Peru must not retreat in defense of its rights.

In this sense Bucaram is not something new on board. On the contrary, maintaining Foreign Minister Galo Leoro in his post has made the clearest gesture of a commitment with the Ecuadoran strategy concerning the proto col. The trip to the border and the charming gestures toward Peru are ways to refresh and renovate the effectiveness of that proposal.

Meanwhile, we remain pressured by the guarantors, especially the United States — the main guarantor — to settle things as soon as possible and without reading between the lines of the documents which might be submitted to us. Ecuador has broken the peace and Peru has been charged with rebuilding it, we've been told.

It would be interesting to listen to more concrete and more precise remarks by Bucaram on how he intends to utilize his charms on Peru, the Peruvians, and Fujimori. A positive new idea in this field would be more valuable than 1,000 formal gestures.

Peru: National Radio, Television Institute Established

PY1907195496 Lima EL COMERCIO in Spanish 10 Jul 96 p A4

[FBIS Summary] The Peruvian Government has established the National Radio and Television Institute of Peru [Instituto Nacional de Radio y Television] (IRTP). It will be entrusted with broadcasting educational, news, cultural and entertainment programs. The law is published in the issue of 9 July of EL PERUANO. It establishes that the current Peruvian Radio and Television Company, RTP, encompassing Radio Nacional and Radio La Cronica, and Channel 7 TV will be responsible for these broadcasts.

The IRTP will be in charge of operating state-owned radio and television media under the jurisdiction of the Education Ministry.

Venezuela

Venezuela: Orozco Graterol Appointed Transport Minister

PA1907143896 Caracas Venezolana de Television Network in Spanish 0200 GMT 16 Jul 96

[FBIS Translated Text] The president of the Republic, Dr. Rafael Caldera, swore in General Moises Orozco Graterol as the new transport and communications minister in a simple ceremony held in Miraflores Palace. While assuming the post, Orozco Graterol ratified his commitment to Venezuela and declared that this position is a challenge to Venezuelans and that his only intention is and will be to continue working for our country.

[Begin Orozco Graterol recording] I plan, first, to evaluate how the Transport and Communications Ministry really operates, with such things as plans, projects, or works currently under way or those at a standstill, and review a bit how the ministry is organized. I believe there are many things that should be decentralized and moved to the various states so that they can work more efficiently. [end recording]

Venezuela: President Says Ties With Colombia Unchanged

PA1907173596 Caracas EL UNIVERSAL in Spanish 17 Jul 96 p 1-13

[FBIS Translated Text] In meeting in Caracas with Ernesto Samper, President Rafael Caldera will strive to maintain the same argument used justify his September 1995 visit to Santa Fe de Bogota: that a meeting of this nature should be viewed as a way of providing more impulse to bilateral relations between both nations rather than as support for a colleague in crisis.

On that occasion, the Venezuelan president was able to dodge attempts by journalists to persuade him to comment on the complex situation taking place in Colombia. "It would be indelicate and inappropriate to state an opinion on this issue. What I can say is that nothing that takes place on either side should be used as a justification to allow relations, which should be prolific, to deteriorate. In no way should we become involved in Colombia's internal problems. However, those problems should not used as reason for any distancing," the president pointed out at the Narino Presidential Palace.

At the time, Samper was immersed in one of the most controversial moments of the political crisis originating from accusations with respect to the use of illegal funds in the election campaign. Now, when a new presidential meeting has been announced, Samper has been exonerated by the Colombian Congress, but still continues to be under tremendous internal and international pressures. Nevertheless, diplomatic sources have confirmed that under these circumstances, Venezuela's position continues to be similar to that already confirmed by Caldera in Santa Fe de Bogota.

Samper's visit to Caracas will be the second by the Colombian president, and the fourth bilateral meeting at the presidential level in less than two years.

In 1994, former Colombian President Cesar Gaviria and Rafael Caldera met in Trujillo and subscribed, as part of the Yellow House Document, a ratification of the commitments of integration, globalization, and bilaterality, which had been agreed previously.

During the month of October of that same year, shortly after having been sworn into office, Samper carried out an impressive official visit to Caracas where he was able to address the Venezuelan Congress and tour the city by riding on the metro system.

Venezuela: Caldera on Measures Contained in Agenda

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[Report by Milensky Oropeza]

[FBIS Translated Text] President Rafael Caldera has maintained that the measures contained in the Venezuela Agenda are the beginning of a long road on which the nation will have to embark to reach economic stability, although most participants from THE ECONOMIST's roundtable have said these measures are insufficient:

[Begin Caldera recording] We are pleased to say that this is perhaps an example [words indistinct] important, international, financial organizations that we have adopted the Venezuela Agenda as the basis for our conversations, discussions, and accords with the IMF. [end recording]

The privatization process, the reform of social benefits, and judicial and investment security, which are the main concerns of foreign investors, are the main issues the executive branch is discussing. They are part of the Venezuelan transformation process, which, according to investors, should not be stopped:

[Begin Stephen Goss, president of the British-Venezuelan Chamber of Commerce, recording] Investment security [words indistinct] with certain countries are very positive. We expect to see an acceleration, particularly from the time the government issues permits to the time Congress approves and implements them. For many potential investors, the signing of these accords already provides a green light for investing. [end recording]

Although most investors attending this roundtable believe Venezuela has not overcome most of its problems yet, it is also true that they believe Venezuela is in the middle of a progressive process that will eliminate the causes of past problems and will lead to a much more promising future.

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